

SATURDAY NIGHT

THE CANADIAN ILLUSTRATED WEEKLY

Vol. 52, No. 41

Three Sections

TORONTO, CANADA, AUGUST 14, 1937

Established A.D. 1887

10 Cents

PUBLIC ARCHIVES
CF CANADA
OTTAWA ONT
MFC 2A/12/1937

THE FRONT PAGE

The week's prize photograph in the Summer Competition appears on page 11. This Competition will continue until the end of September, with a weekly prize of Five Dollars for the photograph which we judge most interesting to our readers. A second prize of Three Dollars is sometimes awarded under special conditions, and all other prints reproduced in our columns receive Honorable Mention and One Dollar. While the rules of this Competition have always stated that no prints can be returned, we have as a matter of courtesy made a practice of returning them when accompanied by postage; and at the request of a number of competitors we have decided to commit ourselves to the policy of doing our best to return unsuccessful prints when sufficient stamps are sent for that purpose, but without accepting any responsibility for accident or damage.

SO LITTLE has actually met the eye in connection with the Conservative meeting at Ottawa last Saturday that the conclusion is inevitable that there must be a good deal more in it than has yet done so. What that more is will probably emerge only by degrees. There must be ideas in the mind of Mr. Bennett, and probably in the minds of those who have places of influence and power in the Conservative party, which go far beyond the highly limited range of the official announcement of the business of the caucus. These ideas may not even have been discussed in set terms at that gathering; they may have been hinted at, or may merely have been floating unformulated in the general Opposition air. What they are we can only surmise; but the theory that Mr. Bennett recalled his party followers from the ends of the Empire merely to tell them that his health is good enough for him to continue as leader and to hear their rejoicings at the news is too thin for credence.

Besides, if that were the real business of the meeting the party would at least have gone through the motions of great rejoicing as over some sort of an Event. The absence of motions of rejoicing has been striking, and is not due to any disapproval by Conservatives over what happened. It is due to the fact that whatever did really happen, whatever there really was in the way of an Event, is not yet publicly available for rejoicing over. Something is going on at Ottawa, something of major importance to the vast and difficult process of making Canada into a nation, something that is probably still too vague, too tentative, too uncertain for popular discussion. We are a long way from any election. About all that we can say now is that the situation at that election, when it arrives, will be profoundly different from anything that can be clearly visualized at the present moment. Even Mr. Bennett probably does not visualize it yet himself; but few if any Canadians will have more to do with bringing it about than he will.

DEALING WITH ALBERTA

THERE is no very compelling reason why the latest Social Credit legislation of the Alberta Legislature should be disallowed by the Dominion Government, and there is one very powerful reason why it should not. Some of the people of Alberta undoubtedly think that the legislation is within the power of their Province. To disallow it would be to deprive them of their access to the courts for a decision on the question, and leave them in a state of mind to resent the supposed tyranny of the central authority. To allow the question to come before the courts involves nothing more serious than a period of uncertainty, the effects of which are likely to be less damaging than might at first thought be supposed. The banks will presumably pay no attention to the new legislation, and will leave it to the Alberta Government to take what steps it can devise for putting a stop to their operations on the ground that they have no license. Public opinion would hardly tolerate the padlocking of every branch bank in Alberta while the validity of the legislation is still untried; and the reasonable method of procedure would be a test case against a single branch. We do not believe there is a judge in Alberta, even in the lowest courts, who would uphold the provincial claim to jurisdiction; and if the first court throws out the provincial contention nothing further can be done by the Province until some higher court rules in its favor, and in the meantime the banking business would go on as usual.

The Privy Council has rendered some deplorable judgments in favor of the provincial as against the federal law-making power, but it has a notable ability to reverse itself when the consequences of its own principles become too outrageous. The provision regarding licensing, in the list of subjects over which the Province has exclusive legislative authority, has a definite limitation attached to it in the shape of a definition of purpose; the licensing must be imposed with a view to the raising of revenue for the Province. This definition was inserted to provide, and has on occasions been interpreted as providing, a safeguard against the use of the licensing power for the purpose of regulating businesses which the Province has no right to regulate. We have not the smallest doubt that the courts would permit it to operate to that



OVER THE HILLS, on Quebec Provincial Highway No. 16 near Petit Saguenay.

—Photo by "Jax."

effect in the case of the present legislation. If the license fee, preposterous as it is, stood alone, unaccompanied by the other restrictions which the legislation imposes upon the acts of bankers, it might get by as being within the provincial ambit, for it is probably not quite prohibitive, and much if not all of the cost of it could be passed on to the unfortunate Albertans who happen to need bank credit. But the associated requirements show conclusively that revenue is a minor part of the objectives of the legislation, whereas the constitution requires that revenue should be its sole objective.

We are inclined to welcome the insanity of the Alberta Legislature as being certain to lead to a much greater sympathy with the federal authority on the part of the eminent British legalists who have the unenviable task of interpreting our constitution.

NOT VERY CANADIAN

WE HAVE some friends who are under the delusion that a slightly varied edition of an American magazine, by reason of being put on the press somewhere in the Dominion of Canada, becomes and is a Canadian magazine. We do not know how widely that delusion is entertained, but we hope not very widely, for it is bound to lead to some most undesirable errors. It might for example lead to the belief that a leading editorial article entitled "The English Don't Like Us," which appeared recently in the "Canadian" edition of *Liberty*, Mr. Bernard Macfadden's popular five-cent weekly, represents a common Canadian view or attitude. It does not.

That an American-owned periodical should avail itself of the circumstance of having a set of plates, with a few pages altered for Canadian consumption, put to press in Canada, to masquerade as a Canadian periodical and to seek to sow ill-will between this Dominion and other countries of the Commonwealth is annoying enough. That it should be successful in doing so would be disastrous. The article in question is a string of unsupported assertions, exagger-

ated versions of petty accidents, and slightly antiquated jokes, which are collectively employed to bolster up the statement that the English neither "like" nor "understand" Canadians. From the extensive observation afforded by a seat at a Canadian radio during the Coronation broadcast, the writer finds that Prime Minister King received an inadequate amount of applause during the procession. From an observation which must have lasted longer but can hardly have been more profound, he discovers that for months past "a skillful and relentless boycott against Canada has been carried out by the British press." A considerable part of the article is devoted to the regrettable but slightly amusing error in the pictorial portion of a London newspaper, by which the sister of that famous celibate, Mr. R. B. Bennett, was described as his daughter. There is a statement that the English "resent the enormous influx (into Canada) of capital from the United States" but refuse to send any in themselves. That is the sum total of the evidence. On these grounds we are asked to believe—and what is worse, the English may be led to suppose that we do believe—that "the English don't like us."

In the *Saturday Evening Post* this article would have been merely annoying and not very surprising; an American periodical has a perfect right to work for the disruption of the Empire if it wants to, and some of them do. But in an alleged "Canadian" periodical it is dangerously misleading.

NORTHERN ONTARIO

THE problem of the administration of outlying territories by the government of a democracy largely composed of the residents of old and centrally located districts is one of the most difficult in the whole realm of politics. It is seldom, in this country, discussed in a more scientific manner than it was by Mr. J. L. Prentice of this city in an address to a local service club last week. Mr. Prentice was discussing

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THE PASSING SHOW

BY HAL FRANK

MR. ABERHART is proving again that he is an inexperienced politician. He is trying to carry out his promises to the electorate.

NEWS-MAGAZINE VERSE

Ottawa Government moves to avert a Financial crisis in Alberta.

—*Times*.

Despite the presence of Japanese troops, life in China pursues an ordinary course. A Chinese farmer near Wuhu reports that he sighted a sea serpent.

Every time we begin to have doubts about man's ingenuity, along comes a new mystery novel.

The statue of a cow has been unveiled near Woodstock, Ontario. The dearth of statesmen in this country must be greater than we suspected.

Anyone who has a summer cottage, says Oscar, knows how China feels about the invasion of the Japanese.

Civilization is a process, says Horace, that provides people with greater opportunities to bore themselves to death.

Many Film Stars Wear False Teeth.—Item. Hollywood's passion for artificiality knows no bounds.

Work is being rushed on the Trans-Canada Airways, we have been informed, so that Ottawa may fly to the rescue of Alberta bankers.

We hope that no extraneous controversies will be introduced into the forthcoming provincial election whose paramount issue is obviously how well the Heburn Government has administered the Dionne Quintuplets.

The latest vogue in films is Hawaiian pictures and we are awaiting the inevitable title, *Girl Meets Poi*.

Two great defences of the year have been the defence of Madrid and the defence of the topless bathing suit.

The C.I.O. has decided to enter politics. Evidently they are determined to find out what this man Hepburn has got that they haven't got.

Esther says she still prefers baseball to yacht racing, you can follow the former without a dictionary.

MONEY IS A VOTE

BY B. K. SANDWELL

MR. SOLON LOW, Provincial Treasurer of Alberta, has issued instructions to the banks in that Province that they must change the nature of their business. He says it is the will of THE PEOPLE of Alberta that they should change the nature of their business. We do not know about the will of THE PEOPLE of Alberta, but we do know that under the British North America Act THE PEOPLE of Alberta have nothing to say about banking. The nature of banking in Canada, which still includes Alberta, is determined by the will of the people of Canada, who have not yet adopted the habit of printing themselves in capital letters, but are nevertheless quite capable of making their will prevail in those matters over which the constitution gives them authority.

Let us consider for a moment what the nature of the banking business is. It is an old subject, but every now and again it has to be re-explained, and we think it had better be re-explained now to THE PEOPLE of Alberta and any Canadians outside of Alberta who may think that the Alberta idea about banking is capable of being carried out.

THE business of a bank is to give its own promises-to-pay in exchange for the promises-to-pay of persons or corporations or governments. It makes its profit in so doing. The reason why the exchange is desirable and beneficial to both parties is that the bank's promises-to-pay are universally accepted and serve practically all the purposes of money, whether they are in the form of bank notes or of credit in deposit accounts, whereas the promises-to-pay of the other parties are not thus generally accepted. In order that the bank's promises-to-pay may be thus acceptable, it is necessary that they should all be redeemable on demand or at short notice, and that they should be made good, whenever presented for redemption, in legal-tender money.

The ability of the bank to redeem its promises depends almost entirely on the quality of the promises-to-pay which it accepts in exchange for them, since, with the exception of a small quantity of legal-tender money and the sheriff's-sale value of the banking premises, these are the only assets which the bank possesses to ensure payment of its liabilities.

MOST of the promises-to-pay which the bank accepts in exchange for its own are self-liquidating; that is to say, they fall payable in three to six months, and are secured by assets which the promisor will in the ordinary way have by that time converted into cash goods in process, wheat in elevators, cattle in fattening and so on. A smaller proportion of them are not self-liquidating, or liquidate themselves only after a long time; that is to say, they are promises-to-pay in ten, twenty or thirty or more years.

Both these types of promises must be "good," in the sense that there must be a strong assurance that they will be paid. The second type in addition to being good must be saleable; there must be a market for them, at a price involving no serious loss, in case the bank should need the money before the promise falls due.

This, from the point of view of the banker, is the essence, and all the essence, of banking. The process of banking may, and doubtless does, have all sorts of social effects, some good and some less so and some questionable. The banker is not concerned with these, any more than the automobile manufacturer is concerned with the increased enjoyment or the increased death-rate that result from the existence of automobiles. He is concerned with making and disposing of "good" promises-to-pay, in the shape of deposit credits and bank-notes, at a cost that will leave him a profit, just as the manufacturer is concerned with making and selling good automobiles. To do that he must be sure that the promises-to-pay which he buys are "good." If a certain proportion prove to be not good, his profit disappears. If a further proportion prove to be not good, his capital and accumulated surplus disappear. If a yet further proportion go bad, he can no longer redeem his own promises; his bank is insolvent.

THIS may seem like a long preliminary to a discussion of the proposals and legislation of the Social Credit Provincial Treasurer of Alberta; but it is highly germane to the subject. Mr. Low wants the banks to contrive means of giving \$300 of their promises-to-pay to each adult citizen of Alberta every year. They could do this very easily, and would do it in the natural course of business, if they could get in exchange, from any source whatever, \$300 worth of "good" promises-to-pay redeemable at short date or readily saleable to other purchasers. But there is no source from which they can do so. It is not proposed that the recipients shall promise anything. It is not proposed that the provincial government shall promise anything. It is suggested that the issue of these promises-to-pay will greatly activate business in the Province, which it will might. But no means is suggested whereby the banks are to possess them.

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WHERE INVALIDS AND DIPLOMATS SWARM. The Czechoslovak Republic, in the centre of the European political turmoil, contains some of the most famous "cures" in the world. **LEFT,** Karlovy Vary, the great Carlsbad of old Bohemia, a spa almost as noted for its holiday amenities and gaiety as for its curative waters. **RIGHT,** Jachymov, which boasts the world's strongest radio-active springs for drinking cures, baths and inhalations.

—Photos courtesy of Czechoslovak Tourist Information Bureau, Toronto.



OUR CONSTITUTION SEVENTY YEARS AFTER

BY DEAN VINCENT C. MACDONALD

This article is based upon an address delivered by the Dean of the Dalhousie Law School, Halifax, N. S., to the annual Conference of the Canadian Passenger Association and the Canadian Travellers' Association, at Halifax, on June 17.

OUR Constitution—like every other—requires to be interpreted in order that the meaning of its terms, and their application to specific conditions, may be ascertained. The starting point, therefore, of any consideration of the Canadian Constitution, is that it is not to be found in the words of the B.N.A. Act alone, but in those terms as interpreted by the Privy Council.

Before attempting to discover what shape the Constitution has assumed after seventy years of interpretation, it may be well to inquire what kind of a text the Fathers of Confederation sought to secure, and what kind the British Parliament gave them.

The intention of the Fathers of Confederation clearly was to allocate to the Dominion Parliament all matters of national importance, and to the Provinces

good government of Canada, and by the further declaration that the Dominion shall have jurisdiction over those twenty-nine classes "notwithstanding anything in this Act." It was thus made clear that while the enumeration in Section 92 is an exhaustive catalogue of Provincial powers, that in Section 91 was a mere illustration of the extent of Dominion powers.

This examination of the text of the section makes it clear: first, that they embody the distinction between matters of general and matters of merely local concern, what has been called "the cardinal principle of allotment"; secondly, they abundantly provide for the vital principle of Dominion paramountcy; for not only are the Provincial powers subject to restriction in favor of enumerated Dominion powers when any question of conflict arises, but the ultimate residue is vested in the Dominion.

It is important here to observe that, because of the very definite way in which areas of legislative powers are divided, every Dominion or Provincial enactment may have to run the gauntlet of the Courts before its legality can be determined. Correspondingly, while such legality is challenged, or in doubt, any effective legislative solution of governmental difficulties is necessarily retarded.

TURNING now to the way in which the Act has been interpreted, I venture—with trepidation—to summarize the course of judicial decision during the past seventy years. In doing this I am not concerned to criticize the Courts; but merely to reveal how they have interpreted the Constitution.

First as to the *spirit of their approach* to the Act. This has not been constant. Up until about 1930 the Privy Council approached it as an ordinary statute to be treated "by the methods of construction and exposition which (Courts) apply to other statutes." This was a narrow legalistic method, which took no account of the fact that the Act was more than a statute—it was a Constitution. For a few brief years the method changed, and the Privy Council seemed disposed "to give it a large and liberal interpretation," with due regard to its character as a Constitution. In its decisions this year on the so-called "New Deal" statutes, the Privy Council definitely reverted to the formalism and literalism which had first characterized its approach. In these

recent decisions it is the letter of the text which matters, and neither the broad purposes of the text, nor the needs of the present, prevail against the text as so interpreted.

Not unrelated to these fluctuations in the spirit of approach, are the observable *trends of decision*. When liberalism held sway, the scope of heads of Dominion jurisdiction was vastly narrowed; when liberalism prevailed, the decisions showed a marked tendency to enlarge Dominion power; then with the return of literalism this year, the decisions reveal a decided tendency to curtail Dominion power and to enlarge Provincial power; and this in fields of activity where it is of the essence of the intention of the framers of the Act, and of the needs of the present, that Dominion power should be wide and assured.

THERE are those who believe that the Canadian Constitution has been badly warped, in the course of its judicial interpretation, by a tribunal imperfectly acquainted with Canadian conditions. However, let us shun this topic, and, without praise or blame, view the Constitution in its present form and seek to appraise its efficiency as an instrument for the government of Canada, in these troublous times.

Any such appraisal must take into account certain vital facts:—

1. The B.N.A. Act is seventy years old—a span of years during which many of the bases on which it was enacted have altered immeasurably—during which Canada has secured political autonomy within the Empire—during which certain external fetters upon her legislative capacity have been removed—during which she has attained to international status as a treaty-maker—during which profound changes have occurred in social and economic organization and needs—and during which a new philosophy of government has arisen, which requires or justifies a far greater degree of governmental intervention in matters of social welfare and economic activity than ever before.

2. These rapid and momentous changes have put a tremendous strain on words which in 1867 were plain and aptly applied to then existing conditions, but which are no longer apt to cover a frame of circumstance differing so radically from that existing at Confederation.

3. To some extent the Constitution is susceptible of an interpretation which might alleviate the present situation, but it is now clear enough that the Privy Council has so limited the capacity of the Act to speak the language of contemporary need and thought, as to make futile any hope of judicial modernization of the Constitution.

A static text, a literalistic interpreter, a radical change in political, social and industrial facts, and in the theory of government; these have produced a Constitution incapable of providing effective solutions of many pressing national problems. For in sober truth, the present Constitution is one which withholds jurisdiction where it is necessary that jurisdiction should be, divides jurisdiction where unity of jurisdiction is essential, and in other cases paralyzes legislative action, because of doubt as to jurisdiction, where certainty of jurisdiction is vital.

NOW to particularize, the present Constitution is marked by the following features:

1. Over-zealousness on the part of the Privy Council to protect Provincial powers from any possibility of invasion by the Dominion.

2. The sterilization of the Dominion's power over Trade and Commerce.

3. The Dominion's inability to regulate effectively the business of insurance and the control of corporation activity generally.

4. The declension of the Dominion's residuary power, so that in practice it is operative only in time of grave national peril.

5. The enlargement of the Provincial power to legislate in relation to Property and Civil Rights, to a degree which vests in the Provinces the really effective residuum of power.

6. The inability of the Dominion to deal with such topics as unemployment, the hours, wages and conditions of labor, the investigation and control of industrial disputes, unemployment insurance, marketing of natural products, control of prices and so on.

7. Doubt as to the validity of the allocation of Dominion funds for old age pensions, relief and provincial aid.

8. The practical inability of the Dominion to utilize its new-found legal capacity in the making of treaties, by the necessity of securing provincial co-operation, whenever the subjects of negotiation infringe on a widely construed Provincial field.

9. The fact that as to many and vital matters no effective legislation is possible at all; for the Dominion, which could deal with them, has not the power, while the Provinces, which have the power, cannot in practice deal with them, because only national action can be really effective.

A FURTHER problem of great importance relates to taxation. Here we have the vicious paradox, that the Provinces which have the legal power to legislate in relation to the expanding classes of governmental and social services, such as highways, public health, technical education, mothers' allowances and old age pensions, and the corresponding political responsibility, have not the powers of taxation necessary to defray their cost; for they are strictly limited to one kind of taxation, namely, direct taxation. Moreover the value of this sort of taxation as a source of Provincial revenue, is greatly reduced by the fact that the Dominion also exploits this field, by its income tax levies. It is quite apparent now, that the whole situation as to Dominion-Provincial taxation and finance must be revised, and the Prime Minister has recently announced the appointment of a Commission to consider this subject.

In sum it may be said with confidence that the Canadian Constitution is not today an efficient instrument of government and that its revision, in more than one respect, is urgently required.

I have elsewhere discussed at length the recent proceedings and debates in the Canadian Parliament pointing to a growing recognition of the need for constitutional revision, and the obstacles, legal and otherwise, to the attainment of such revision. It only remains to make clear that what I have in mind throughout is revision in the sense of *modernizing the Constitution*; there is no thought on the part of anyone of abandoning any of the great principles of the Act of Union, nor of destroying Provincial powers. Renovation of terms, clarification of doubts, re-allocation of powers to, and from, the Dominion as wisdom and need dictate; these are the desiderata of the moment, if our Constitution is to speak, and speak clearly, the language necessary to the solution of the problems of the present.

GRACE

BY EMILY LEAVENS

AT MORN, at noon, and at the eventide
We eat, O, take our thanks,
All ye who for this food have died
Or suffered, or in ranks
Stand in the streets to wait a dole.
We may have much or little yet
Are held together, body and mind and soul
By torments ye have met.

all matters of merely local importance. The opposition in the Debates in the Canadian Parliament, in the Quebec and London Resolutions, is between a "general government charged with matters of common interest to the whole country," and "local government charged with the control of local matters"; between "matters of a general character" and "matters of a private and local nature." The conceived necessity was that of creating a strong central government which, (in the words of Macdonald), should have "all the great subjects of legislation"; to confer on "the general legislature the general mass of sovereign legislation" and "all subjects of general interest not distinctly and exclusively conferred on the local legislatures."

THE B.N.A. Act, by sections 91 and 92, manifests a similar intention:

"91. It shall be lawful for the Queen, by and with the Advice and Consent of the Senate and House of Commons, to make Laws for the Peace, Order, and good Government of Canada, in relation to all matters not coming within the Classes of Subjects by this Act, assigned exclusively to the Legislatures of the Provinces; and for greater Certainty, but not so as to restrict the Generality of the foregoing Terms of this Section, it is hereby declared that *notwithstanding anything in this Act* the exclusive Legislative Authority of the Parliament of Canada extends to all Matters coming within the Classes of Subjects next hereinafter enumerated; that is to say,—"

(Here follows an enumeration of twenty-nine classes of subjects.)

"And any Matter coming within any of the Classes of Subjects enumerated in this Section shall not be deemed to come within the Class of Matters of a local or private nature comprised in the Enumeration of the Classes of Subjects by this Act assigned exclusively to the Legislatures of the Provinces."

"92. In each Province the Legislature may exclusively make Laws in relation to Matters coming within the Classes of Subjects next hereinafter enumerated; that is to say,

(Here follows an enumeration of sixteen classes of subjects of which the last is the following:—)

"16. Generally all Matters of a merely local or private Nature in the Province."

IT WAS not unnoticed by the framers of the Act that some of the classes of subjects enumerated in these two sections overlapped. This apparent conflict they sought to resolve in favor of the Dominion by the statement in the introductory paragraph of Section 91 that the enumeration of twenty-nine classes of Dominion powers was not to be in restriction of the general power for the peace, order and



THE QUEEN VISITS HER REGIMENT. Formerly a famous cavalry unit, The Queen's Bays, now completely mechanized, were recently inspected by Her Majesty Queen Elizabeth. The Queen, who is Colonel-in-Chief of the Regiment, is here seen looking over the new light tanks at Willem's Barracks, Aldershot.



EROSION IN THE MEDITERRANEAN.

THE FRONT PAGE

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in particular the administration of Northern Ontario by Queen's Park, and the desire for secession from Ontario which is frequently expressed by residents of that area.

Nobody, we suppose, would imagine that the administration of Northern Ontario in the last quarter-century has been satisfactory either from the standpoint of efficiency and economy or from that of wisdom in the designing of policy. The prevalent theory is that the defects of this administration arise because the North is too far away, too little known to the majority of the citizens, and too tempting a field for exploitation by the joint efforts of politicians and financial buccaneers. If distance and ignorance are largely responsible, it would seem to be a reasonable conclusion that Northern Ontario could be better administered as a separate Province by its own residents. But a somewhat similar situation existed as between the old Northwest Territories and the Dominion of Canada; and we cannot say that the erection of a large part of the Territories into self-governing Provinces was by any means successful in putting an end to inefficiency of administration or to financial buccaneering; indeed the Dominion had to take over a large part of the financial responsibilities into which the local politicians and the financiers combined proceeded to plunge the young Provinces.

OLD AND YOUNG

MR. PRENTICE makes the interesting and probably sound observation that the people of Northwestern Ontario are today more western than southern or eastern in their characteristics, and that this psychological difference has a good deal to do with the lack of harmony between the two parts of Ontario. He speaks of the "air of southern superiority." This is probably not so much "southern" as something else, something concerned with the greater age of the population centres, the greater financial resources, the greater cultural equipment, which are the natural advantages of an old territory over a pioneering territory. The inhabitants of the old territory obviously ought not to be "superior" about them, for that is in any case bad manners, but they can hardly be expected to forget that they exist. It is true that Old Ontario contains several universities and a lot of trust companies, and that New Ontario contains no universities and comparatively few trust companies. But is that after all any reason why New Ontario should desire to dissociate itself from Old Ontario? Is it any political detriment to a territory without universities, to form part of a political unit including territories that have universities?

EDITING OUR HISTORY

THE Champlain Society has announced its return to the program of publishing two volumes a year, which was its original practice from its inception in 1906 but was reduced to one volume during the war and the depression. The service of the Society to Canadian history, through the publication of definitive and well edited texts of inaccessible original records, has been incalculable. The latest volume to come from the press is a reprint of Patrick Campbell's "Travels in the Interior Inhabited Parts of North America," originally issued in Edinburgh in 1793, and now so scarce as to be occasionally sold for \$3.00 at auction. Sir Robert Falconer, the present president of the Society, and Librarian Stewart Wallace, the secretary, are to be congratulated on the renewed full activity of their organization.

RESPECT FOR GERMANY

RESPECT for the persons of Canadian citizens who are natives of, or descendants of natives of, another and non-British country does not necessarily imply respect for the government at the moment in power in the land of their origin. Respect for the German Nazi government in Canada will be enhanced or diminished solely by the behavior of that government, and not by the protests, argumentation or vituperation of societies claiming to be representative of the German racial element in the Canadian population—an element for which we all have the respect which its intelligence, industry and law-abiding character justify.

One of these societies complained by resolution last week that "irresponsible groups are waging a boycott of German merchandise with words of hatred and spite against everything German." We do not think these groups are very widespread, nor can their boycott be very effective if what the local German authorities claim concerning the success of the present Canadian-German trade arrangement is true. But we cannot refrain from pointing out that boycotts and words of hatred and spite are not confined to Canada, and that they are vastly more effective in countries where the "Party" which cherishes the

hatred and the "Fuehrer" who preaches it are able to employ the whole power of the state to translate it into action. If there are any groups in Canada today preaching "hatred and spite against everything German," they probably consist largely of Jews, and their attitude is probably caused largely by the official (and highly effective) German hatred and spite against everything Jewish. They may include also a few friends of liberalism and democracy, who dislike the official German hatred of everything and everybody liberal and democratic.

The vast majority of the Canadians of German racial origin have been away from Germany a great many years, have accustomed themselves to life under a liberal and democratic political system, and have never had the privilege of living in Nazi Germany. We doubt very greatly if it would ever occur to them to pass resolutions about "words of hatred and spite" against the Nazi régime in Germany if they were not stimulated to do so by agents and propagandists of that régime. As for Mr. Kropp, the German consul in Toronto, who is reported as saying that "Nine times out of ten when a man applies for a job (in Canada) and says he is of German origin, he doesn't get the job," we can only hope that he was misquoted. Either his figures are outrageously exaggerated, or the employment-seekers of German origin in this country are committing the tactical mistake of applying to nine Jews before they seek a non-Jewish employer. Jews in Canada, we understand, are not employing Germans to any great extent. When we consider the extent to which Germans in Germany are—well, not employing Jews, we find ourselves unable to censure their discriminatory attitude very harshly.

MONEY IS A VOTE

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selves, by right and by due process of law, of \$300 worth of the proceeds of this increased activity for every \$300 of their own promises handed out to an Alberta citizen.

IN PLAIN words, the bankers of Alberta are being asked to hand out a great many million dollars annually of their own promises-to-pay, in exchange for no goods, no cash and no promises-to-pay what-ever. And they cannot do it. Not only are they prevented from doing it by ordinary business common-sense; they are prohibited from doing it by the laws of Canada. For the Parliament of Canada, which by the British North America Act has sole authority over "Banking, Incorporation of Banks, and the Issue of Paper Money," has realized that it is of vital importance that the promises-to-pay of banks should always be redeemed, and has therefore prohibited banks from issuing such promises except in exchange for a rigidly prescribed list of the promises-to-pay of other people. Legislation cannot prevent the purchase of bad promises-to-pay; that is a matter of the judgment of the banker. But it can prevent the purchase of particular classes of assets which are likely to be bad; and nothing that the banks in Alberta can possibly get in exchange for the promises-to-pay which they are instructed by the Alberta Legislature to issue bears the slightest resemblance to any of the things that Canadian banks are permitted to invest in.

THE Memorandum of the Alberta Government on the Letter to the Banks of July 21 is a document which will go down in history as one of the maddest ever issued by a Government acting in the name of the British Crown. It implies that all that is necessary in order that an Alberta citizen may possess himself of, say, an automobile tire is that he should "vote" for the production of one, leaving out of sight entirely the fact that the right to so vote depends upon the possession either of the wherewithal to pay for that tire or of an assured prospect of having the wherewithal, and doing the paying, at some future date. It requires the banks to advance the wherewithal, without taking any promise, either from the recipient of the tire or from anybody else, that it will ever be repaid. It argues that there ought to be as much money in the community as there is debt, quite regardless of the fact that debts last anywhere from twenty-four hours to fifty years, and that money is required in connection with them only at the moment of repayment. It offers, as the sole security which the banks are to receive in exchange for the issue of these millions of dollars of their promises-

PHOTOGRAPHIC COMPETITION

The winner of the weekly Five Dollar Prize in the Summer Photographic Competition appears on page 11. It is by Norman P. Smith, 113 Braemar Avenue, Toronto, a frequent winner of prizes and honorable mentions. This week's honorables are H. W. Little, 1507 Bishop Street, Montreal, and Reg. O. Lissaman, 832 11th Street, Brandon, Man.

SUNDAY SPORT IN B.C.

BY P. W. LUCE

Vancouver, B.C.

BRITISH COLUMBIA is liberal-minded in the matter of Sunday recreation. Once in a long while a feeble protest goes up at the so-called desecration of the Sabbath, but it is many years now since any attempt was made to translate protest into action. Summed up in one short sentence, here's the situation:

Those who indulge in Sunday sport are enthusiastic, and those who don't are apathetic.

The inevitable result is that Sunday games are steadily gaining ground, though only in private and amateur circles. There is no suggestion of introducing commercialized sport, perhaps because it is well understood that the authorities would not tolerate this. Not even the professional hockey organizations have ever tried to hold games on this side, though B.C. teams play regular Sunday fixtures against American rivals in towns across the border.

SUCH legal proscriptions as there may be against Sunday games are to be found in the Dominion Lord's Day Observance Act, which can be invoked only with the consent of the provincial attorney-general, and in the Sunday Observance Act, a provincial measure revised in 1924 and which is pretty much of a dead letter in so far as it applies to sports. It is based on old English acts of parliament running back to 1625, which distinctly forbid such amusements as bear-baiting, bull-baiting, interludes, and common plays, on the Sabbath, under pain of a penalty not exceeding three shillings and four pence, or eighty cents in Canadian currency. In default of payment, the culprit is to be locked in the stocks in the marketplace for three hours.

British Columbia has no stocks—at least, none of that kind.

The approval of the attorney-general to a prosecution for engaging in Sunday sports has never been sought. It is probably too late to ask for it now. Too many registered voters have taken to Sunday golf.

SUNDAY golf is played regularly in British Columbia wherever there is a private or public golf course. Kamloops and Vancouver played it unashamedly long before Victoria dared follow suit, but it is a commonplace there now. In Vancouver the municipally-owned Hastings Park does a thriving Sunday business, play starting as early as 5 a.m. in the summer time.

The Vancouver Parks Board has a hundred tennis courts crowded with athletic men and women on Sundays, the commissioners having yielded to public clamor for Sunday tennis in the summer of 1928. No charge is made for the use of these public enclosures, and more than fifty nets are left up for the benefit of winter players. All told, it is estimated that 10,000 individuals use the public courts every season, while as many again play on private courts, week-days and Sundays.

Skiing, which has made fantastic leaps in public

favor in recent years, is primarily a week-end sport in British Columbia. Sunday tournaments and competitions are held regularly at Prince Rupert, Nelson, Trail, Revelstoke, Princeton, and other suitable places. The Canadian amateur ski championships held at Banff under the aegis of the C.P.R. have their big day on a Sunday. The ten ski clubs which have their headquarters near Vancouver boast a total membership of around 8,000, and on a fine Sunday as many as 3,500 may be gathered on the slopes of Grouse Mountain and Hollyburn Ridge, almost within sight of their homes.

No charge is made for watching the skiers glide and jump, but the various clubs raise considerable revenue by selling buttons and badges to their supporters.

This same technical evasion of charging admittance is practised on Vancouver Island, where semi-professional and amateur football and baseball have been played for a quarter of a century or more. In Nanaimo, Cumberland, and Ladysmith, the hat is passed around the crowd. The average contribution comes pretty close to a quarter.

IN IOCO, an oil company town a few miles from New Westminster, and the only place on the mainland where organized amateur league baseball games are played on Sundays, there is always a satisfactory collection. Various other small towns enjoy Sunday baseball and defray expenses in this wise, but these are not league fixtures.

One of the few Sunday recreations that pay real dividends is trap shooting. The members of the Vancouver Gun Club made so much profit in 1935 on shells sold to themselves that they were able to build a new club house.

Curlers "hurl" their "stones" and "sloop um up" on Sundays, but these are merely friendly games, not competitions. Badminton players indulge in their own pastime on the same basis, and so do scores of the devotees of lawn bowling.

Cricketers stay off the oval on Sundays, but this is because the traditional days for their scheduled matches are Wednesdays and Saturdays. Even in Australia, where they play cricket better than in England, they don't play on Sundays.

Most of the Vancouver and Victoria local and international yacht races are held over the week-end, but power-boat races have not yet shattered the silence of English Bay waters with their cut-outs.

WHEN ice is available, thousands skate on Lost Lagoon, at the entrance to Stanley Park, on Trout Lake, and on such other open sheets as may be within reasonable distance of the city enthusiast. The Parks Board clears the ice of snow, and makes no charge for the accommodation.

Fishing lures hundreds out of the cities on Sundays during the open season, and the same holds good of shooting. It is probably safe to say that a majority of the licenses taken out for these two sports are used only at week-ends. Fishing excursions are big business for the transportation companies.

The most expensive sport indulged in on Sundays in British Columbia is polo, which is played only in Kamloops by rich stockmen and cowboys. The cheapest is outdoor checkers, which is played in Stanley Park by canny chiefs from Aberdeen.

MICE AND MEN

THE sun will rise, the sun will set, and the world will wander on with no more agitation or concern than o'er the petty wrangling of a pair of mice.

And yet we fuss and fume and say the world's awry, and that each passing care seems but to strike at us alone, and clean forget that often in the past we've fought and conquered dragons greater far than those that now entoure us roundabout.

There never comes an argument or difference great or small, between two beings in any state of life, where faults and failures don't exist on either side, and happiness can only live in learning to forgive.

Now I have written here these lines above, but do you think I practise what I preach? Indeed I don't! for foolish pride and hurt susceptibilities are stronger far than me. But could I learn to conquer first myself, how happy I should be.—A. E. K.



"WHY, ME AN' ROSY HERE, told them guys when they was buildin' it, it was only a mirage."

—Cartoon by S. C. Mills.



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EUROPE IS A BIT FREER

BY J. A. STEVENSON

THE general atmosphere is far from propitious for an amicable settlement of the issues which have emerged in connection with the Spanish war, and it will not be improved if the French in the event of the break-up of the non-intervention committee, carry out their threat of throwing open the frontier between France and Spain and giving the Loyalists freer access to outside help than has hitherto been available for them.

But Herr Hitler can always be relied upon to do the unexpected, and his latest surprise for Europe has been a sudden gesture of friendliness towards Russia in the shape of an offer to receive the new Russian Ambassador weeks before diplomatic usage required his formal reception, and some accompanying observations about the desirability of the resumption of normal friendly relations between Germany and Russia, which he has heretofore in and out of season reviled as a pestiferous country ruled by malignant Bolsheviks. It may be that Hitler has developed an admiration for Stalin on account of the latter's manifestations of a ruthlessness equal to his own in purging his following of elements hostile to his régime, and feels that the Russian is in very truth a blood brother; but it is more probable that his suggestion for happier relations with Russia is intended to frighten conservative elements in Britain and France who have always been terrified of the idea of a Russo-German alliance, and to induce them to take a more benign view of German activities in Spain, which have now begun to annoy British Tory Imperialists sympathetic to Franco. But the "Nazi" authorities show no sign of relaxing the concerted campaigns of persecution which they are directing against the Catholics and the Protestant elements still standing fast by their Christian faith, and the crusade against the Jews has lately been intensified. There must today be in Germany a large element of people which loathes the Nazi régime and all its works, and its existence is one of the best insurances against a general European war.



J. A. BATA, head of the enormous Bata shoe manufacturing organization of Czechoslovakia, who recently visited Canada, in an effort, it was said, to further negotiations for an enlarged trade agreement.

IN FRANCE the Ministry of M. Chautemps is striving to overcome a variety of financial and other difficulties. Its personnel is somewhat less Leftist than that of the Blum Government, and although behind the scenes M. Blum, through his personal prestige and his leadership of the Socialist party, the strongest unit in the Popular Front alliance, remains a dominating figure in the Cabinet, the selection as Minister of Finance of M. Bonnet, lately French Minister at Washington, who is an experienced financier and would be counted a very moderate Liberal in British countries, has enabled the new Government to secure from the Chamber of Deputies and the Senate the special financial powers refused to M. Blum. So the Chautemps ministry can govern France in the economic sphere by

cabinet decrees up to August 31, and M. Bonnet has been trying to restore equilibrium to the financial situation. The loss of about 350 million dollars' worth of gold in June forced a further devaluation of the franc, and while it is left unstabilized, it is being managed by such steady influence as the Treasury with the co-operation of London and Washington can exercise. A very difficult budgetary position confronted M. Bonnet as with the Treasury virtually empty and a deficit of eight milliards of francs on the ordinary Budget for 1937, he has to find at least 16 milliards to meet obligations maturing before the end of the year and provide by loans for heavy expenditures on the extraordinary budget for armaments and special public works. So he has resorted to heavy increases, averaging about 20 per cent, in both direct and indirect taxation, and also in the fares on the state-owned railway system.

But great difficulty has always been experienced in making the taxpayers of France pay up and it remains to be seen whether the additional levies will realize enough to achieve a balanced Budget, and whether in face of the heavier taxation any substantial amount of the funds now transferred abroad will be repatriated and set to work in industry and commerce. Meanwhile the franc still shows a tendency to slip downward and there are apprehensions that the increased direct taxation, coupled with the depreciation of the currency, may produce a sharp rise in the cost of living, which would alienate the working classes and give rise to demands for higher wages. The suspicion prevails that the "big business" interests of France have been depressing the franc for purposes of political blackmail, but so far M. Chautemps has given no indication that he intends to yield to such underhand pressure from the bankers and reverse the Blum program of social legislation. Any such backsliding on his part would mean the break-up of the Popular Front and the immediate downfall of his Ministry. In France it is axiomatic that the more moderate in texture a Ministry is, the stronger is the line that it can take in foreign policy. Under M. Chautemps the French attitude towards both Germany and Italy has noticeably stiffened, and this sterner course has been encouraged by a change in the tone of Rightist elements and papers like *Le Temps*, which have become at last genuinely alarmed by the avowed aspirations of Italy to dominate the Mediterranean Sea and imperil France's communications with her North African colonies.

IN CENTRAL EUROPE manoeuvres on the diplomatic chessboard go on steadily with varying fortunes for the players. Col. Beck, the Polish Minister of Foreign Affairs, who has never forgiven France for compelling his summary retirement from the staff of the Polish Embassy at Paris shortly after the war and has cultivated assiduously the good graces of Germany, has conceived the idea of creating through the co-operation of Poland, Hungary and Germany a zone of insulation between Russia and Germany. Its consummation would be very acceptable to Germany as it would leave Czechoslovakia separated by neutral territory from her ally Russia in the event of a war, forced upon her by Nazi aggression. Col. Beck has been entertaining the wayward King Carol of Rumania, who is said to be sympathetic to his scheme, but soberer opinion in Rumania is against any such betrayal of the principles governing the Little Entente, and it would now be reinforced by the powerful influence of M. Titulescu, the ex-Foreign Minister and a sworn enemy of Fascism, who after a long illness has resumed active participation in politics.

The Government of Czechoslovakia, of which President Benes is still the moving spirit, although very nervous about the designs of Germany in view of a fresh campaign of propaganda against their country lately launched by Dr. Goebbels, is keeping its head; it is trying by conciliatory moves to win over the moderate German elements in Czechoslovakia and is persevering with its efforts to bring all the countries of the Danubian basin into at least an economic concordat to their mutual advantage.

In Austria the situation remains very complicated and baffling and there have been recurring rumors that Hitler with the consent of Mussolini may seize an opportunity to reopen the problem of the future of Austria. It is claimed in Germany that the Austro-German agreement concluded just over a year ago has had the valuable effect of detaching Austria from the Paris-Prague-Moscow axis and bringing her definitely within the German orbit.

IN JUGOSLAVIA the conspicuous friendliness shown by the ruling Ministry to both Italy and Germany does not find favor with the mass of the people and there have been intermittent demonstrations of protest against Fascism. During the past two years Germany, largely through the abilities of her Finance Minister, Dr. Schacht, as a negotiator, has met with remarkable success in tying up the Balkan countries to herself by elaborate trade arrangements, whereby they exchanged their surplus products for German goods, but they have now all discovered that these schemes have ensured much more to the benefit of Germany than to themselves, as they all find themselves in possession of large credits of "blocked marks," which they cannot use outside Germany, and are discovering that they are not getting the benefit of the world rise in prices for many of their exports. So they are becoming restless at their economic subordination to Germany and influential business elements are working to cancel the present arrangements. On the whole in the last six months the influence of the Fascist dictatorships has waned considerably in south-central Europe, and British rearmament, which has negated the impression that Britain would be impotent to render any effective help against Fascist designs, is credited with being an important factor in its decline.

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—History of Canada, August 2-9

ALBERTA BOILS OVER

ALBERTA'S Social Credit experiment reached the stage during the week where, apparently, the Aberhart administration must either go ahead and enforce its will in defiance of the British North America Act or else collapse. The special session of the Legislature passed a bill, which received the formal assent of Lieutenant-Governor John Bowen, providing for the licensing of banks, through their employees, and most other financial institutions. As described by Provincial Treasurer Solon Low, the new law is designed to place the people of Alberta in control of the financial policies of banks which operate within the Province. The British North America Act allows a Province to license business institutions for revenue purposes, but does not permit licensing of such institutions for the purpose of controlling their policies.

The new Alberta bank legislation requires all bank managers and bank employees to take out licenses; a bank manager's license costs \$100 and an employee's \$5. Bankers are to be regulated by the Provincial Credit Commission which is given the power to cancel or revoke licenses. A board of five men, three representing the Social Credit Board and two nominees of the banker, would supervise and control the bank until the license is granted. Penalties for not taking out a license are, for a banker \$5,000 to \$10,000, and for an employee \$100 to \$1,000. A cancelled license may be renewed through payment of a fee not exceeding 1,000 times the amount of the original license fee. The law's definition of banking appears to be broad enough to take in trust companies, loan companies and finance corporations.

Under another bill introduced by the Provincial Treasurer, the Alberta courts are closed to unlicensed bankers in respect to any claim in law or equity. Other bills passed during the short session empowered the administration to deposit provincial funds in any Alberta institution, not necessarily a chartered bank; only to a question, that jurisdiction over banking undoubtedly rested with the Federal Government. At the Calgary Prophetic Bible Institute, Premier Aberhart asked his audience to pray every day for the next three months that his Government may be given wisdom and guidance.

DOMINION

Drought: Hon. J. G. Gardiner, Minister of Agriculture, estimated that it will be necessary to move between 200,000 and 300,000 head

of cattle from drought districts of Saskatchewan and Alberta; had moisture conditions not improved recently it would have been necessary to ship 500,000.

Railways: President S. J. Hunterford of C.N.R. announced increase of approximately \$10,000,000 in operating revenues of the railway system during first seven months of 1937.

Revenues: Hon. J. L. Isley, Minister of National Revenue, announced increase of \$13,972,214 in income tax collections during first four months of fiscal year, and increase of \$5,093,759 in customs and excise collections during July.

Trade: Bureau of Statistics announced Canada's external trade for twelve months ending June 30 as \$1,851,365,000, an increase of 23 per cent.

Waterways: International Joint Commission gave permission for Canada to construct remedial works for reclamation and protection of low lands on both sides of Richelieu River; the work entails evacuation and enlargement of the river channel.

BRITISH COLUMBIA

Health: Government appointed Finance Minister John Hart, Provincial Secretary G. M. Weir, and Minister of Labor G. S. Pearson as a committee to revise its health insurance plan.

Highways: Premier Pattullo announced that British Columbia Government is prepared to co-operate with Dominion Government and United States Government in construction of an international highway through the Province to the Yukon and Alaska.

Labor: Provincial Board of Industrial Relations ordered increase of five cents an hour in minimum wage rates for 15,000 sawmill and woodworking factory employees throughout the Province. The Board repealed its special minimum wage regulation of 75 cents an hour for skilled artisans in the construction industry, and reverted to its old basic wage of 45 cents an hour in urban districts and 40 cents in rural.

MANITOBA

Agriculture: The provincial Government announced arrangements with grain companies and elevators whereby the entire supply of rust-resistant Thatcher wheat will be retained in the Province for seed purposes.

NEW BRUNSWICK

Labor: Premier Dymally announced appointment of Fair Wage Board consisting of Chairman A. B. McKinnon, now municipal inspector for Northumberland County, C. Allan Bontey of Saint John, Frank H. Gillespie of Moncton, Raymond Roy of Dalhousie, Roy Cameron of Fredericton and John S. Mackinnon, Saint John, secretary.

NOVA SCOTIA

Agriculture: Worst plague of army worms since 1920 attacked crops in Annapolis Valley and in Pictou, Antigonish, Colchester, Lunenburg and Hants Counties. Hon.

John A. McDonald, Minister of Agriculture, issued instructions to farmers for combatting the infestation.

Health: Medical Officer Dr. T. R. Johnson of Colchester County placed two weeks' prohibition on all public dances and congregations of young people as precautionary measure against spread of infantile paralysis.

ONTARIO

Forests: Hon. Peter Heenan, Minister of Lands and Forests, announced ratification by Order-in-Council of agreement with General Timber Co. for construction of 200-ton sulphide mill on Big Pic River timber limits in Thunder Bay District; mill to cost between \$5,000,000 and \$6,000,000 and its complete output to be exported to the United States.

Highways: Ontario Government's "horror" campaign against highway accidents began with publication of photographs of fatal accidents in display advertising sections of the provincial press.

QUEBEC

Health: Hon. Dr. J. H. A. Paquette, Minister of Health, announced his Department is studying plans for intensive anti-tuberculosis campaign; the Quebec tuberculosis death rate is 95 per 100,000 population as compared with 36 for Ontario, he stated.

Municipal Affairs: Premier Duplessis announced that the Province will contribute one-third to the cost of Montreal's \$20,000,000 public works (to provide employment) project, if the federal Government will also contribute one-third; Hon. William Tremblay, provincial Minister of Labor, accompanied Mayor Adhemar Raynault to Ottawa to urge federal co-operation.

SASKATCHEWAN

Fur: To prevent extinction of the species within the Province, the Saskatchewan Government prohibited indefinitely by Order-in-Council the trapping of muskrats.

POLITICS

Dominion: Rt. Hon. R. B. Bennett told a caucus of the Conservative members of the House of Commons that his health is restored and that he is willing to retain the Conservative leadership; the caucus immediately set up committees to make plans for strengthening the party's organization in every Province.

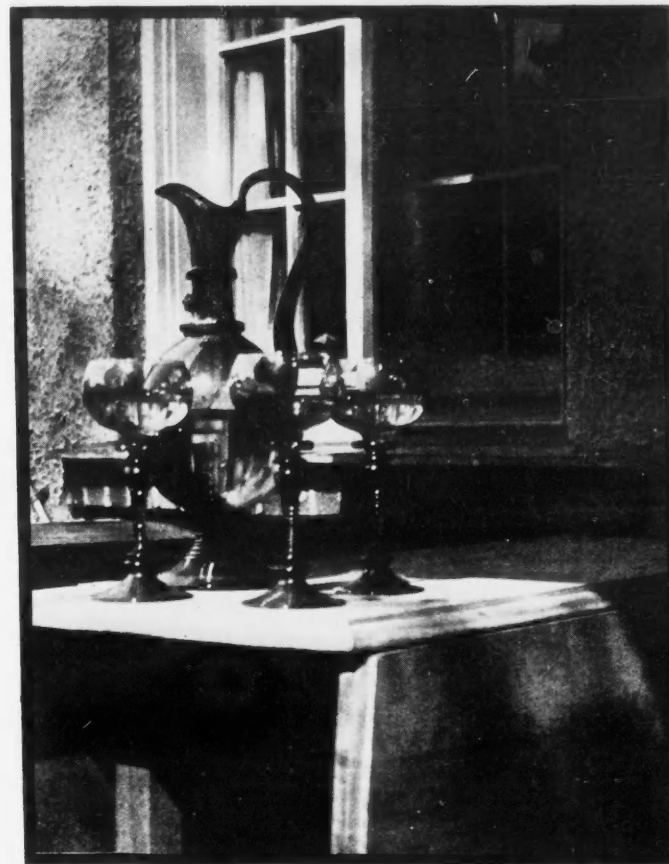
Quebec: Political writers reported that grave differences have arisen between Premier Duplessis and a section of his followers over the Quebec Premier's extraordinary friendliness with Premier Hepburn.

ECCLESIASTICAL

Lutheran: The United Lutheran Church of North America elected Rev. T. Hartig, Winnipeg, president of its synod for two-year term.

OBITUARY

Armstrong: Harry William Dudley, Toronto, civil engineer, charter member Engineering Institute of



"ON A WARM AFTERNOON," Honorable Mention Photograph, by Mary Ainslie, 144 Boulton Drive, Toronto.

Canada, was engineer in charge of transportation of troops to Riel Rebellion over uncompleted sections of transcontinental railway, retired Ontario civil servant (85). **Casson,** George D., Vancouver, former advertising manager T. Eaton Co. in Calgary. **Clarkson,** Edward, Toronto, president Canadian Federation of the Blind (48). **Declin,** Thomas J., Perth, Ont., former reeve of Perth. **Dunsmuir,** Laura Miller, Victoria, B.C., widow of Hon. James Dunsmuir, former Premier and Lieutenant-Governor of British Columbia (80). **Foot,** John J., Toronto, former assistant sales manager General Steel Works, Ltd. (66).

Fusey, Ernest, Montreal, hydrographic engineer, former member engineering staffs of Department of Marine and Fisheries and of city of Montreal (73). **Harding,** Canon George Thompson, Riviere du Loup, Que., retired Anglican clergyman (92). **Jacquet,** Henri, Quebec, Belgian-born blacksmith, decorated with Belgian war medal for intensity of his unsuccessful efforts to serve in Great War in spite of age regulations (75). **Jones,** O. C., Digby, N.S., manager of the Pines Hotel and supervisor of C.P.R. Hotels in Nova Scotia (61). **Lapointe,** Arthur J., St. Ulric, Que., father of Arthur J. Lapointe, M.P. for Matajevia (80).

Leger, Leopold, Lachine, Que., president Leger & Charlton and of Industries Generales (71). **Brady,** Louis Vincent, (K.C.), Toronto, barrister, former vice-president Toronto Reform Association (68). **Marvin,** Rev.

George, Victoria, B.C., retired Methodist minister (89). **MacBeth,** William J., Saratoga Springs, N.Y., noted racing writer, former Ontario school teacher (52). **McCann,** Clive M., Winnipeg, Man., Civil Service Commissioner of Manitoba, former educationist (56). **McCauley,** John Roderick, Cranberry Portage, Man., Riel Rebellion veteran, noted fur trader (79). **McCauley,** Herbert Malcolm, Welland, Ont., retired principal Welland High School (72).

McNab, John George, Montreal, general foreign freight agent of C.P.R. (57). **Morrisseau,** Jonathan, Kenora, Ont., Riel Rebellion veteran (110). **Moxes,** John W., Toronto, former general manager Metropolitan Railway. **Parsons,** Alfred J., Montreal, former postmaster of Kenora, Ont. (89). **Shriner,** Richard Louis, Toronto, retired Ontario civil service (82). **Waddell,** Alexander, Dominion City, Man., imported the ancestor of Manitoba No. 1 hard wheat into Manitoba, built early grist mills and elevators (93). **Watson,** James William Gordon, Toronto, retired Bank of Montreal branch bank manager (73). **Wlancko,** Bruno E., Toronto, book store proprietor and stationer (57). **Williams,** Mrs. Lennox, Bergeville, Que., wife of former Anglican Bishop of Quebec (76). **Wilson,** A. E., Indian Head, Sask., former commissioner and chief agent of Federal Seed Purchasing Commission of 1917-23 (74). **Wright,** Canon John dePenciler, Kemptville, Ont., rector of St. James Anglican Church, Kemptville.

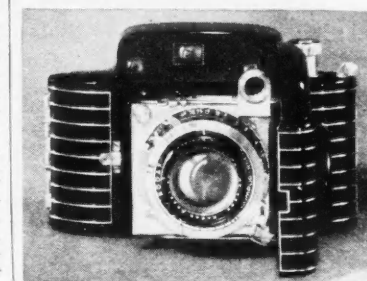
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THE BOOKSHELF

CONDUCTED BY HAROLD F. SUTTON

WAZZAT YOU SAID?

"Conversation at Midnight," by Edna St. Vincent Millay. Toronto, Musson, \$2.25.

BY EDGAR McINNES

I SUPPOSE Miss Millay had to do it. The compulsions which seize upon a poet are unpredictable and not to be argued with; and this must have been particularly strong, since it survived the destruction of the original completed manuscript in a hotel fire. It is to be hoped that, after such travail, Miss Millay feels adequately rewarded by the result. My own feeling is that the satisfaction of having done it will have to be its own reward, for the present volume is unlikely to advance Miss Millay's reputation or to strengthen her claim to immortality. It may be widely read; it may be read with interest and even with pleasure; but it is unlikely to find a place as a permanent contribution to the poetry of the present age.

This is in spite of the fact that these poems are a definite effort to capture the spirit of the present day. Miss Millay has for the moment set aside the intenser personal emotions which are the themes of her best verse, and has gone sociological with a rush. She has gathered together a diverse group—a priest, a stock-broker, a wealthy dilettante, a communist poet and several others—and over an adequate supply of alcoholic beverages has set them to conversing on the world and its ills. They express their divergent views; they contradict each other; they pass from argument to abuse; and finally arrive at the happy conclusion of all getting drunk together.

THE form is that of a stage dialogue, with the speeches headed by the names of the characters, though the author occasionally drops into the form of narrative quotation when it seems convenient. But it is clear from her preface and her index of first lines that she

thinks of the work less as a single composition than as a collection of poems, and every now and then the speeches fall into the sonnet or lyric form. The rest varies from a regular metre to the freest of verse, rhymed or not according to impulse, with considerable use of a long unmetrical line reminiscent of Owen Nash, and in one instance legitimately and avowedly imitative, and on only rare occasions departing from straight colloquialism.

This means that the poems, with few exceptions, gain nothing from form or from "poetical" expression. They are intended to pack their weight in the intellectual content—in the argument itself. I can't help feeling that Miss Millay has made a mistake in throwing away these adornments. It is true that the argument is lively and vigorous. It shifts from religion to politics to economics to love, putting shrewd points with a directness of expression which keeps the interest engaged. Anyone sitting in on such a discussion would pass an active and stimulating evening. But he would emerge just about where he started; and while that isn't an unusual experience, it is hardly one whose ephemeral nature can be overcome merely by putting it in a book.

THE trouble is, Miss Millay never seems to get quite down to fundamentals, or to express a point of view in a way that carries both intellectual conviction and emotional impact. I don't mean that this should be her own point of view or that she ought to take sides in the argument and bring it to a definite conclusion. But in expressing the points of view of her characters, whether the stock-broker or the communist or the advertising copywriter, surely she desired to have each give voice to his most effective arguments in the most effective fashion. They may not be right in their opinions; they may be muddled in their thinking; but if poetry and not prose is to be the vehicle of their lucubrations, it ought to serve some



THE "GREAT BIBLE" presented to the King during the Coronation ceremony, by the Archbishop of Canterbury. This is a copy of the Standard Edition of the new Oxford Lectern Bible, bound in Levant Morocco, bearing a design specially prepared for the occasion consisting of the Royal Arms, the Arms of the Abbey of Westminster, the Arms of the Universities of Oxford and Cambridge, and stamped in gold with an all-over pattern of the Royal Crown and the two Royal Cyphers. A copy is on display in the Toronto office of the Oxford University Press.

special purpose of its own. Its purpose here is not apparent. Neither the free verses nor the sonnets are much advance on straight prose; and even a lyric like "The mind thrust out of doors" falls short of effectiveness because of its wordy complexity. The one character whose utterances verge on poetry is the priest, Anselmo, and Miss Millay soon gets rid of him. As for the rest, they are good fellows; they are amusing talkers; they have convictions, and even ideas; but they have no importance at all. Their midnight conversation may serve to pass an amusing hour, but all it adds up to is just another hangover.

STILL NO ANSWER

"T. E. Lawrence by His Friends," Edited by A. W. Lawrence. Toronto, Nelson, \$4.50.

BY MARGARET LAWRENCE

THIS year's addition to the rapidly accumulating material of the Lawrence saga is by far the best, excepting only Lawrence's own baffling effort to account for himself in the complete "Seven Pillars of Wisdom."

It is a collection of short essays on Lawrence by those who knew him during his life, ranging from Lord Allenby and Winston Churchill to men who worked with him in the Tank Corps and the Royal Air Force. In between there are accounts by the artists who painted him, authors who met him, an Arab chieftain, fellow students at Oxford and a few odd acquaintances. It makes a most tantalizing survey and the reader is not much further ahead at the end in an approach to understanding the tortured person known to history as T. E. Lawrence, but is immeasurably enriched by anecdote. Lawrence eludes all analyses. This is as certain a conclusion in a collection of comment by varying minds as it is in any one and all of the biographies published to date. It is also certain in his own record of himself. Lawrence himself did not know what made him understand the Arab character intuitively; neither did he seem to understand, judging from the quotations given in this book, what made him abandon the heights of fame and seek peace in the ranks of the Tank Corps and the Royal Air Force. Nor could he ever explain, nor has anyone else successfully explained so far his wavering between out and out dramatic exhibitionism, as it seemed to be, and an equally dramatic withdrawal from the society of his rank and experience.

All through these varying accounts a few points about Lawrence remain generally emphasized. He had an amazingly quick power of assimilating knowledge based upon an amazing capacity for concentration and an equally amazing retentive memory. He was unusual, therefore, or appeared to be so, because he used to their fullest powers brain cells lying dormant, or at the most, only very partially exercised by the rest of us. He had a quickening effect

upon other people, which can be interpreted either as part of the spiritual equipment of a person living for one purpose—a crusade—or as merely the natural electric effect of a person completely alive and thus using all his native forces while the rest of us go about half dead already or only very slightly calling into activity our powers. Consequently, he made such an impact upon the etheric waves and therefore upon the imaginations of people that they loved him with blind worshipping devotion or they hated him for being more than was usual. He used this capacity in himself to its fullest during the Arabian campaign, galvanizing the war office, the staff, as well as the Arabs into action. When the need to use it was immediately over he retired into private life under an assumed name.

There is story enough in just the simple account of what he did. That in itself is a story which will go rolling through history gathering momentum as it gathers time in its roll. Added to it there is another story, the story of a man at war with himself and in a sense at war with other men because of the added capacities which set him apart. Here his story becomes both psychological and mystical. Lawrence was a Celt, hence provided at birth with a dangerously active imagination and it followed that very easily the real could become unreal to him, and the unreal correspondingly real with the possibility of there never being any thickness of separating line between them. Added to this, he had a physical make-up which in itself demanded a terrific mental effort in compensation for inferiority. It manifested itself first in sheer intellectual quality and a taste for the somewhat bizarre in study. It also manifested itself in an initial tendency towards celibacy drawn out to absolutism through the temperamental need for complete self-possession.

Gathering together these elements Lawrence was psychologically a wounded being driven by the pain of his wounds into an extreme exhibition of himself as a hero. Finding that at the opportunity came he brought into play a magnetic force of personality and character, which he used upon his own kind and upon another race. When it receded he was agast at what he had done. "The world called it heroism but his own world did not fulfil the promises he had made in its name. His detractors said he retired disgruntled. His worshippers said he retired to escape the limelight. Critics would say the work for which he was reimagined was finished and there was nothing left for him to do. The psychiatrist may spend years pondering the flight and attaching it to a prior flight into a crusade and tying these two to an original shock loosening his personality from normality. In the middle of all these the creative artist may come dealing with the man rousing his own humanity to power so unusual as to seem the power of the gods, and falling back at the end terrified by the problem of what mortality might be.

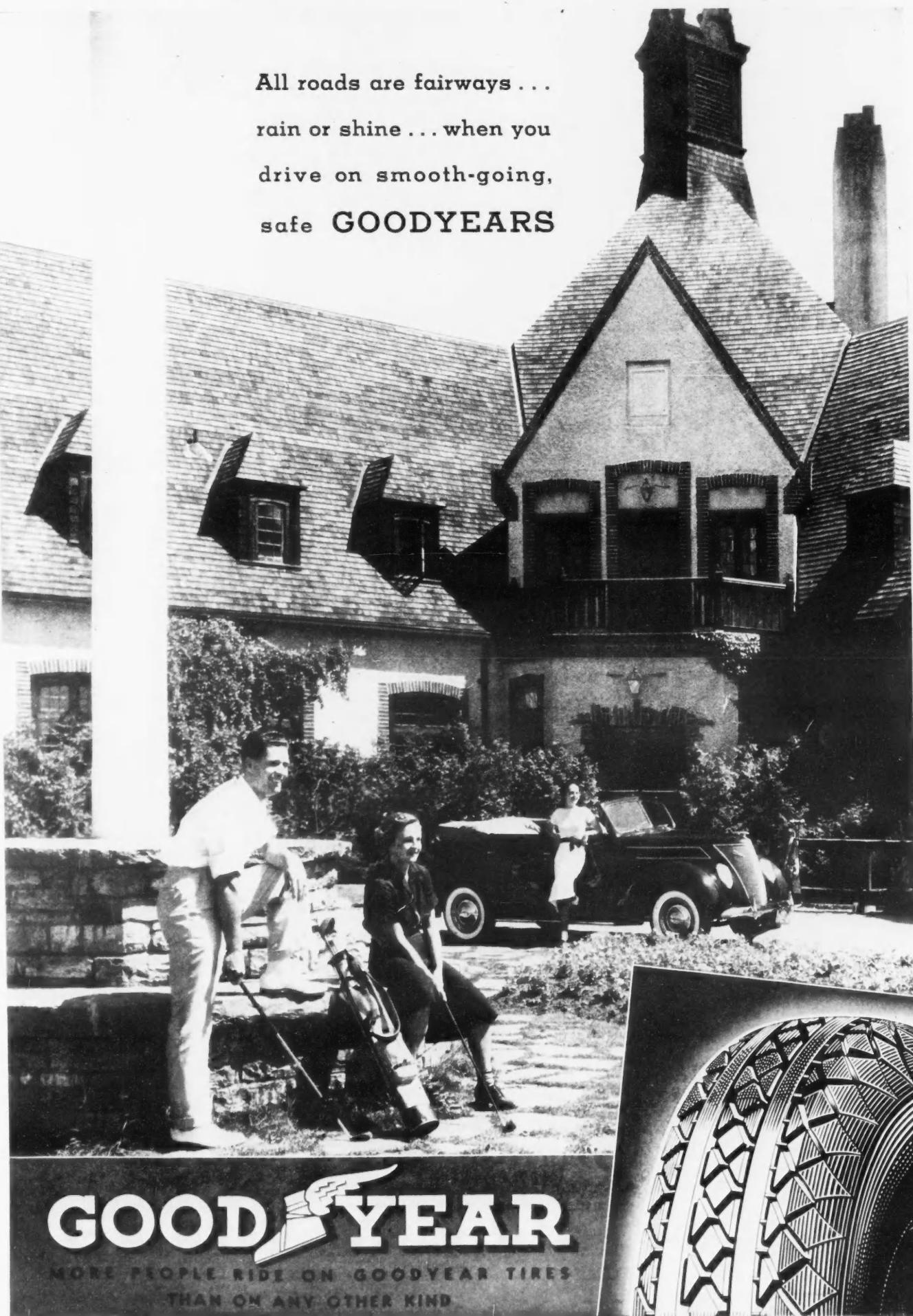
THE CRIME CALENDAR

BY J. V. McAREE

WE BEG to report on the following which are worth reading, if our theory is correct that a poor detective story is better than none. They are "The Corpse in the Derby Hat," by Howard Swaggett, published by McClelland and Stewart; "Murder on Hudson," by Jennifer Jones (Oxford University Press, \$2.25); "Verdict Without Jury," by Anthony Webb (Oxford University Press, \$2); "Fatal Five Letters," by Dana Scott (Oxford University Press, \$2.25). Probably the best of them is the first named, although according to detective story standards there is too much love making, and the author shows an interest in character drawing which is not particularly in demand in this kind of fiction. The most unusual is "Verdict

Without Jury." Very few detective stories are better at the end than the beginning but this one is. But we can hardly accept its Scotland Yard officers. We do not believe they act the way they are here represented. Moreover, the amateur sleuth is made needlessly eccentric. Nevertheless the book is worth reading, particularly in these lean times. "Murder on Hudson" introduces one of our pet aversions, namely an amateur female sleuth, and the best we can say is that it is readable. It is in fact a shade more readable than "Fatal Five Letters" which introduces us to an unpleasant and disreputable crew composed of the smarter set in an Up-State town. It also violates the canon by revealing an insane murderer. Miss it with a clear conscience.

All roads are fairways...
rain or shine... when you
drive on smooth-going,
safe GOODYEARS





"THE STAGE COACH," from the painting by John Innes. "A country grows by the enterprise of the adventurous who yearn beyond the skyline and widen the horizon of humanity." Taken from "The Epic of Transportation," by John Innes, this picture shows the stage coach of other days rounding a perilous bend in the foothills of the Rockies in dashing style. To the adventurous pioneers pushing West the stage coach as portrayed was both mail, express and passenger carrier. These sturdy vehicles were the quickest as well as most luxurious mode of transportation of their time. Winter and summer they made the round of the scattered settlements, keeping the outposts of Empire in touch with the outside world. Their arrival at any of their various destinations was always an event of major importance and was eagerly awaited by the settlers.

JOHN INNES' LIFE WORK

BY BLANCHE E. HOLT-MURISON

THE trail of the pioneer has ever been "the trail of destiny." In Canada, the distance between the primeval wilderness with its wide-open spaces and the architectural avenues and crowded streets of growing city and busy metropolis narrows almost incredibly when historically considered. It is a span that can be bridged by the milestones of memory set in the hearts of many of Canada's sons now facing the westward slope of life.

John Innes of Vancouver, pioneer painter of the Canadian West, is one of that gallant company whom perhaps the poet had in mind when he wrote of the "passionate few" those who hold true to one invincible idea, who strike one major chord on the instrument of their inspiration and follow the echoes forever after. One no longer enquires how many years ago this gifted son of an Ontario Rector trekked across the unpeopled prairies, through desolate and dangerous mountain passes, to the Land of Promise by the Western Sea. Although there have been intervals when the East beckoned him, the call of the West has always brought John Innes home again. Its color, its spaciousness, its scenic splendor, its mighty rivers and virgin forests from the first patterned his imagination with an indelible panorama of images and events.

HOW these earlier impressions later took form and color on his canvasses is dramatically illustrated in the pictorial sequence "From Trail to Rail"—"The Epic of Transportation."

Here are portrayed no Wild West cowboys; no Indians on the war-path; no landscape lurid with the spitting fire of rustler and raider. On the contrary, these twenty-one paintings tell with realistic fidelity the story of man's achievement in patiently pushing back the forbidding frontiers of half a continent. They record the steady purposeful advance of a home-seeking people across unblazed trails into hitherto unknown territory.

In his monumental collection John Innes takes us back to "A Trail in the Wilderness," the first definite direction beaten through the barren places by the wild creatures of centuries ago. The first fugitive instinct to get somewhere; the race urge that was yesterday's harbinger of the international highways and trade ways which are the economic arteries of today's industry and commerce.

TAKEN in order, "The Epic of Transportation" shows the "Dog Travels" and "Horse Travels," the first primitive vehicles that aided the explorers and prospectors in their desperate adventures.

Then the lordly buffalo has a place in the picture, chiefly because his meat, hide, fur, bones and sinews furnished the major needs of subsistence and existence. Then came the skin canoe and the birch-bark canoe; the latter a magnificent craft of marvellous construction and capacity. Champlain, La Verendrye, the early missionaries and traders under the French regime, all used these birch-bark canoes for navigating the lakes and rivers of their exploring. It was one of these great "Double North" canoes that, some two hundred years ago, carried the Governor of the Hudson's Bay Company the oldest chartered trading corporation in the world—on his annual tours of inspection. The original flat-bottomed batteaux and the later trustworthy scows, the "Carriers of the North," called and not in vain to the "Captains Courageous" of their day.

PACK trails and dog trails and Red River carts followed in the procession of progress. Prairie schooners that were the canvas habitations of the early homesteaders pitched and rolled over the expanding sky-lines. Bull trains that furrowed the virgin soil with their tons of freight lumbered across the scene. Then the tough and springless "buckboard" and the last thing in luxury of its kind, the stage coach, passed and re-passed each other as new trails were opened, new settlements inhabited and man's reach ever exceeded his

grasp as he dreamed the Dream of Empire that came gloriously true.

And all the time, across thousands of trackless miles threaded the shining ribbon of steel, one of the most tremendous feats of engineering ever projected by "men with empires in their bosoms and new eras in their brains." Over that league-long track of brown earth, which the amazed Indians declared reached to the end of the world, came the fearful "hissing devils" that penetrated farther and farther into the Red Man's hereditary domain.

The last three pictures of this series Innes has called "The Challenge," "The Battle of the Rocks," and "Triumph." "The Challenge" depicts that incident in the history of the Canadian Pacific Railway when the grade-workers, the steel-gang and engineers met their Waterloo—and won! To quote the artist, "Men jeered and prophesied disaster; but these pioneer rail-roads, these leaders of the 'Fraternity of the Unafraid,' strong with the knowledge that in creating a Road they were creating a Nation, pressed on."

"The Battle of the Rocks" shows the titanic task of construction within reach of its objective. The mighty convolutions of tortuous pass, treacherous precipice, yawning canyon and mountain barrier had all been challenged and subdued. East and West shared in the splendor of achievement. The dreams of Cook, Vancouver, Franklin and a host of other heroic adventurers had found fulfillment.

In the last picture the "Iron Horse" steams proudly through the golden fertile valleys of British Columbia to the sunset slopes of the Pacific.

Last summer, as part of Vancouver's Golden Jubilee celebrations, this historical collection was exhibited in a special gallery arranged for this purpose in the pioneer departmental store of David Spencer Limited and during the celebrations many notable visitors from all parts of the world, viewed the paintings. Mr. Innes had the honor of personally escorting the Governor-General and Lady Tweedsmuir around this exhibition during their Vancouver visit. His Excellency showed great interest in the collection.

THE limitations of space permit only the briefest mention of the many activities of John Innes' colorful career. As a "Soldier of the Queen" in the Canadian Mounted Rifles during the Boer War; as a staff artist and special writer for the *Toronto Mail and Empire*; the *Hearst Sunday Magazine* in New York; the *Vancouver Sun*; as free lance editor and publisher in other directions; ranching at High River, Alberta; or as engineer on the staff of Ross, Mann and Holt, then building the C. and E. branch of the C.P.R.; his versatility might be truthfully classed endless.

One of his old friends sketches in the story thus: "Innes is a thinker, ether, scenic artist, choirmaster, prospector, short story writer, historical painter, inventor, traveller and poet." I would add to this list the tribute intrepid pioneer and loyal gentleman. John Innes never says an unkind thing about anybody. Although the "slings and arrows of outrageous fortune" have on many occasions fallen thick and fast around him, his spiritual defences have ever stood unshaken and secure.

WHILE the purist and stylist in art may comment that Innes has not swung with the "tempo" of the times, what of it? The artist himself is content. For the "joy of the working" and in his own "separate star" he has painted the thing as he saw it, as he moved with it. He was a working, unifying part of it all. He happened to suffer from the conviction that it might be a worthy effort for a man to leave behind him an authentic record of the momentous stages of his own times and experiences, not waiting until museums and historical bodies set wheels in slow motion to recover facts and atmosphere clouded or obliterated by the passing of the years.

"Art is long. Time is short." Whatever the dictum of the critics,

"The Epic of Transportation"—"The Epic of the West"—the property of the Hudson's Bay Company now in London—and the eight historic murals hung in the University of British Columbia graphically depict an honest and dedicated endeavor to preserve in colors the experiences of a pioneer people during the period of their greatest development.

As the artist has said, "The pictures themselves are but as a row of tapers illuminating here and there figures and scenes limned upon the dimming records of the past. The true light is not in the paintings themselves. It gleams with a clear and undying flame in the spirit of the pioneers whose daring and striving and suffering made this 'Epic of Transportation' possible."

John Innes has given to his Art, not abstract and purely imaginative quality, but the glamor and romance of the thing that actually was and has passed. His pictures are his gift to posterity, a panoramic memento of the way Canada came into her national heritage; a permanent memorial to those who blazed "The Trail of Destiny."

John Innes is still at his easel.



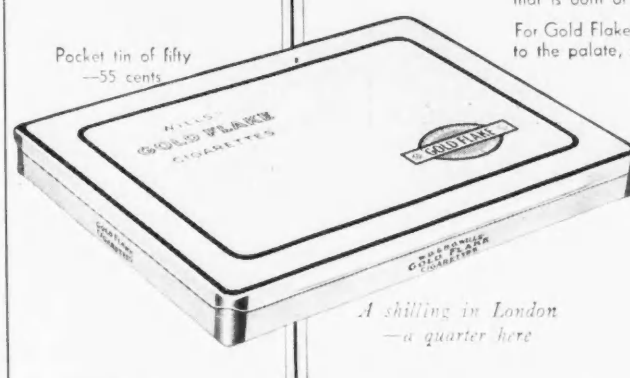
Vivien Leigh is starred with Conrad Veidt in "DARK JOURNEY," a vivid spy screen drama produced by London Film Productions, directed by Victor Saville—soon to appear in your local theatre. Be sure to see lovely Vivien Leigh in her first starring vehicle.

Copyright Photograph
Courtesy London Film Productions
Limited, London.

Vivien Leigh is blessed with the triple gifts of Youth, Beauty, and Intelligence. Her success has been rapid. A minor part on the London stage in 1935 led to a supporting role on the screen in "Fire Over England" and then to stardom in "DARK JOURNEY" under the aegis of Alexander Korda. Critics agree that she has talent and a personality to be reckoned with... she is a "natural" star! Her charm is fresh and "English" in the best sense.

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CIGARETTES

A shilling in London
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THE SMOKE OF THE BRITISH EMPIRE



Are the Brewers sincere?

Overheard in a street car

1st Passenger: Do you think the brewers are sincere in this propaganda for temperance?

2nd Passenger: I don't see why not. Look at the facts. The professional prohibitionists claim to represent temperance in this province. For them it is just as wicked to drink a glass of beer as to make a beast of oneself. The brewers want to point out that true temperance consists in being able to distinguish between the two.

1st Passenger: Just the same, the brewers are not in business for their health!

2nd Passenger: Oh, granted! Neither are the butchers, the bakers, the candy makers, the tobacconists!

1st Passenger: But surely there is a difference. Beer—if it is taken in excess—is not so good.

2nd Passenger: And that is true of all the other trades I mentioned... as Health Commissioner Lt. Colonel Francis E. Fronzak testified before a United States Senate committee, more people die from over eating than from over drinking!

1st Passenger: And you believe that the brewers are sincerely opposed to drunkenness.

2nd Passenger: Absolutely! Aren't they urging the temperance people to get back to their real jobs of temperance education? The real temperance job is to show people—and especially young people—that it is not drink itself that is wicked, but the way drink is used!

1st Passenger: In other words, the problem is the drinker, not the drink, eh?

● This advertisement is inserted by the Brewing Industry in the interest of a better public understanding of certain aspects of the problems of temperance and local option.

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A MUTUAL COMPANY
NORTH AMERICAN LIFE
Solid as the Continent
HEAD OFFICE—TORONTO, CANADA
ALL PROFITS FOR POLICYHOLDERS

THE FILM PARADE

BY LUCY VAN GOGH

THOSE ENGLISH RUSSIANS

HAPPY art thou among movie reviewers, Mary Lowrey Ross, in the dating of thy vacation, and twice happy in the climatic conditions thereof. Where thou art I know not, whether upon the peaks of the mountains looking down, or in the fertile valleys looking up, or by the shore of the many-sounding sea looking out. But wherever you are you are not looking at movies; the defects of the science of air-conditioning move you not at all, nor those of the art (God forgive us) of scenario-writing. There is a monotony about the sound of the surf on the shore, but it is a pleasing monotony, unlike the monotony of the character impersonations of Miss Marlene Dietrich. There is a sameness about the sweep of the wind over the waving wheatfields (unless you are in Southern Saskatchewan, which is improbable), but it is a soothing sameness, unlike the sameness of the successive escapes of Miss Dietrich and Mr. Donat in 1919 Russia from the Reds and then the Whites, and then the Whites and then the Reds, and finally the Red-and-Whites and last of all the Red-White-and-Blues of the American Red Cross. There is a moisture about the water in which you are immersing yourself (if you are immersing yourself) in the lakes of Muskoka or off the sandy beaches of the great St. Lawrence pouring itself slowly and majestically towards the sea, but it is not the all-pervading and inescapable moisture of a mid-August day in a Great Lakes city in a theatre which cannot be properly air-conditioned for humidity because to do so would involve wringing out each member of the audience separately as he or she comes in.

Everything was against me the night I saw "Knight Without Armor." In the first place I had started out to see another British film which had been at another theatre the night before and should in my opinion have been on there still. Of course there is no law to prevent some theatres changing films on Friday and others on Monday and yet others on Wednesday and Saturday. I don't even want a law against it; but I wish they wouldn't do it. Not being able to see my film I moved on another car-ticket-sworn and saw the Alexander Korda production. I saw the last two minutes of it first, and they are probably the silliest last two minutes of any film of the 1937 vintage, and they damaged my



FILM OPERETTA. Rudolf Friml's most famous operetta comes to the screen in M.G.M.'s "The Firefly," with Jeanette MacDonald and Allan Jones teamed in the leading roles. Jeanette plays the title part of Nina Azara, "The Firefly," Spain's best known entertainer of the early Napoleonic period. Jones is Don Diego Manrique de Lara, swashbuckling young Spanish grandee. The setting is Spain and France. Robert Z. Leonard is the director.

appreciation of the whole thing. (Mr. Donat, who is being operated on for a rifle-wound in the arm, hears that Miss Dietrich, the Russian countess, is in a train which is just pulling out of the station; and refusing to wait and have his operation finished, he dashes after the starting train, climbs up the outside of the carriage which miraculously happens to contain Miss Dietrich and shouting "Alexandra" at the top of his voice, breaks in the window of her upper berth (they have windows in the upper berths of these Russian hospital trains and I seem to be getting too many brackets but you will forgive me, it's the heat and the excitement) and tumbles into the berth just as the film fades out.) And on top of all that, between escapes Nos. 2 and 3 Miss Dietrich has to go and have a bath! Now having a bath was exactly what

everybody in that audience was wishing he or she was doing; Miss Dietrich's bath was magnificent, her towels soft and plentiful, her satisfaction ebulliently obvious. It was hard to bear.

The action occurs in Russia, and except Mr. Donat the characters are Russians. They could not of course speak Russian; we should not get anywhere with them if they did. Miss Dietrich speaks Dietrichese; some of the others speak Oxford English, some Cockney English, some Old Bill English, and some Music Hall English. The lady-in-wait in the bath scene was rather a relief; I think she spoke just English. It is a good film until the chief characters start escaping; I think if they had failed to escape the first time they tried to it might have been an excellent film but a bit short.

MUSICAL EVENTS

BY HECTOR CHARLESWORTH

THE Wagner program arranged by Reginald Stewart for last week's Promenade Symphony concert at Varsity Arena, though not chronological in sequence, presented (when Miss Emily Roosevelt's extra numbers are also taken into account) a fairly comprehensive review of the composer's work from 1815 to 1876. There were excerpts from "Tannhauser" (1845); "Lohengrin" (1850); "Tristan and

Isolde" (1865); "Die Meistersinger" (1868); "Die Walkure" (1870), and "Götterdämmerung" (1876). The numbers from the last named music-drama came first on the program, but as the evening went on, the careful listener was able to realize how far Wagner traveled in refinement and subtlety of orchestral expression in the three decades after 1845 when he astonished the world with the grandiose though haunting strains of the overture to "Tannhauser."

Taken as a whole the program was a remarkable demonstration of the present efficiency of the organization. Mr. Stewart has built up under difficult conditions. It is my first summer as an attendant at the "Proms," but those familiar with three seasons of previous effort noted the marked advance of the orchestra as an interpretative instrument. Many might regard Wagner as rather heavy fare for a very hot night—and members of the orchestra would no doubt agree on that point—yet few programs this season have "gone over" more effectively. This was in part due to the fact that no other composer possesses such variety of emotional and dramatic appeal.

It may be because it was the first offering and my ears were fresh, but it seemed to me that Mr. Stewart had put in his most careful preparatory work, and the orchestra showed its best form, in the excerpts from "Götterdämmerung," or "The Twilight of the Gods," most distinguished of all the works on the program. These included "Siegfried's Rhine Journey" and "Siegfried's Funeral March." Both are marvellous examples of orchestral technique carried to the 10th degree; exquisite in detail, and lovely in poetic appeal. In the cosmic "Funeral March" both conductor and all sections of the orchestra especially distinguished themselves for tonal beauty and nobility of expression.

Miss Emily Roosevelt, dramatic soprano, who was the guest soloist, is a cousin of the President of the United States, and one of the really handsome members of the famous family from which she springs. Physically she is a perfect Wagnerian type, blond in coloration and statuesque in bearing. The intelligence of her singing is exceptional, and her voice, within its limits, is full, musical and appealing. Unfortunately it is deficient in power, and unequal to the demands of such a number as the "Love Death" music from "Tristan and Isolde." Perhaps in anticipation that all would not be well, Mr. Stewart made a few prefatory remarks, in case, as he put it, some listeners unfamiliar with the number might find the voice of the singer at times "submerged" by the orchestra. It would perhaps have been as well if Miss Roosevelt had been content to be "submerged" but she courageously tried to make her voice perform more than nature intended, and as a result sang flat during most of this immortal number. She gave a much better account of herself in "Elsa's Dream"



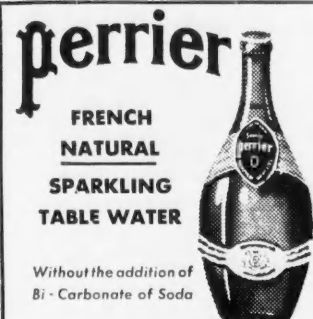
THE COUNT OF VRANCEA on a recent quiet holiday in London. He is better known as His Majesty King Carol of Roumania and adopted the incognito for the English visit. An experienced collector of jewels, he found the Regent Street shops of especial interest.

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STEWART—Conductor

Varsity Arena, Aug. 19, 1937

ASSISTING ARTIST

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VIOLINIST

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Write Harvey Clare, M.D., Medical Superintendent, Homewood Sanitarium, Guelph, Ont.

from "Lohengrin" and Elizabeth's aria "Dieu Theure Halle" from "Tannhauser"; and her singing of an excerpt of Siegfried's music, the idyllic first act of "Walkure," was also creditable.

Purely orchestral episodes in addition to those mentioned were the Overture to "Tannhauser" and the Prelude to "Die Meistersinger." The early passages of the former familiar work seemed rather listless but the players made what might be termed a grandstand finish in the sonorous finale. Considering the heat and burden of the night they also did pretty well with the Prelude, which came last on the program. But when Mr. Stewart decrees another Wagner program I hope he will give us some of the dances and lighter excerpts from "Meistersinger," which are delightfully buoyant and melodious, and show a side of Wagner's genius with which many music-lovers are unfamiliar. This was his only comic opera after his early and forgotten experiment with a version of Shakespeare's "Much Ado About Nothing," and contains passages as gay as the Polka from "Schwanda."

At one time during the American Civil War, Gen. George B. McClellan, then in command of the Union forces, was conducting a waiting campaign; and so careful was he to avoid mistakes that little headway was evident. President Lincoln thereupon wrote him a letter:

"My dear McClellan: If you don't want to use the Army I should like to borrow it for a while. Yours respectfully, A. Lincoln."—Christian Science Monitor.

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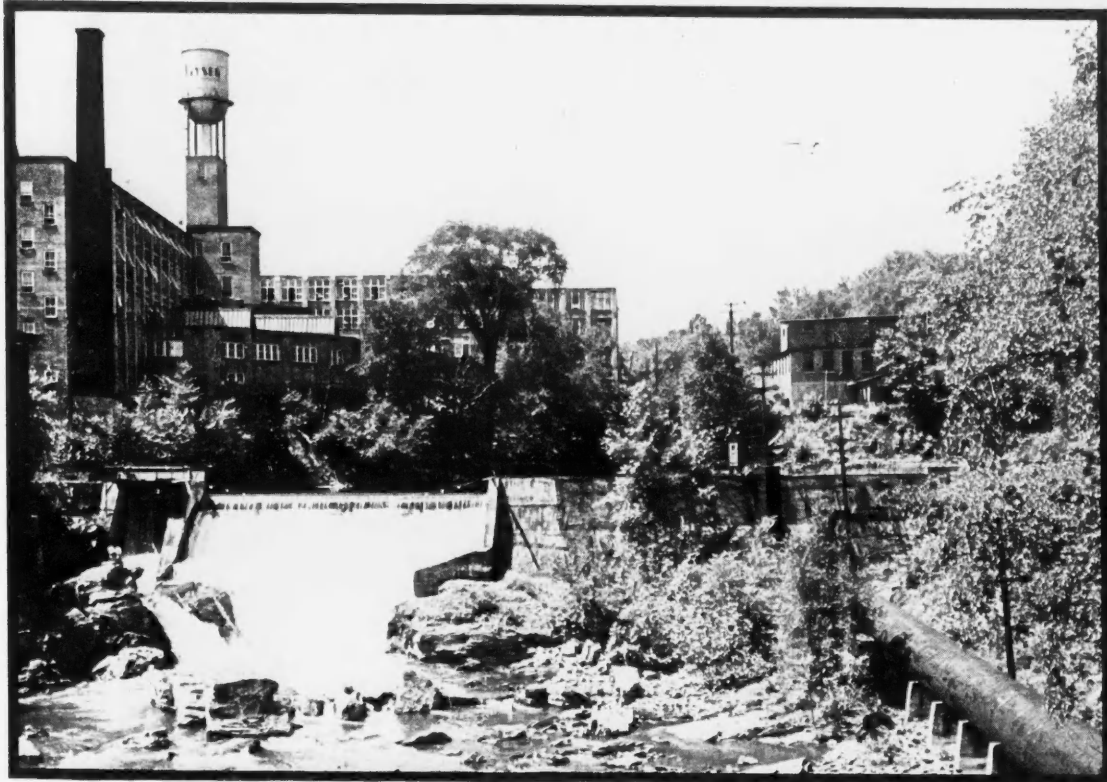
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SATURDAY NIGHT

PEOPLE » TRAVEL » FASHION » HOMES » LETTERS

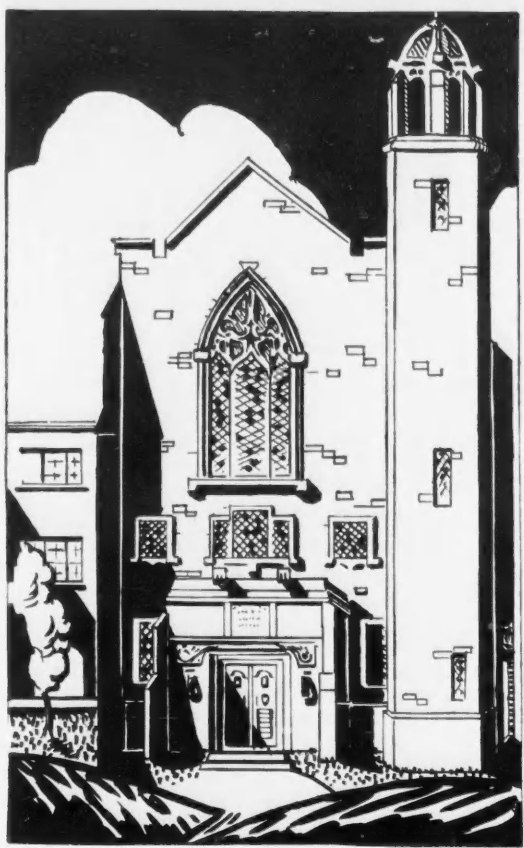
TORONTO, CANADA, AUGUST 14, 1937

SHERBROOKE CELEBRATES ITS CENTENARY



SHERBROOKE, most important industrial and population centre of the Eastern Townships of Quebec, is celebrating this year one hundred years of corporate existence. UPPER LEFT, a scene in the heart of the city. UPPER RIGHT, Sherbrooke's war memorial. MIDDLE LEFT, the St. Francis River at Sherbrooke. MIDDLE CENTRE, the spire of Old Plymouth Church. MIDDLE RIGHT, Col. Emile Rioux, V.D., Mayor of Sherbrooke. LOWER LEFT, Miss Ireland and Miss Helen Wolfe, of Sherbrooke, in ancestral costumes for the centenary. LOWER CENTRE, the Sherbrooke Court House. LOWER RIGHT, the first house in Sherbrooke. BELOW LEFT, a Sherbrooke textile mill. BELOW RIGHT, a Sherbrooke street scene.

—Photos, excepting costume studies, by "Jays"



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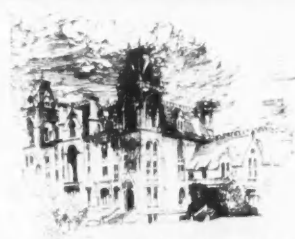
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RADIO DIARY

BY CLARISSA DUFF

TUESDAY: Georgian Bay is in its happiest and most gracious mood this morning. Among the 30,000 islands which fringe its eastern shore there may be a more beautiful one than Pamela's but it seems scarcely possible. From where I sit there is a glimpse, set in a frame of pine trees, of an expanse of blue water flecked with rocky islets. Some day, perhaps, Ernest Dainty, who owns a Georgian Bay island—north of us, I believe—may write a tone-poem, or better still a group of tone-poems, about this paradisaical land where the vegetation springs from bare rock; where water lilies nestle in the shelter of the reefs; where twinkling ripples change in a moment to angry, white-crested waves.

Wisely Pamela refuses to have a radio here; Georgian Bay is no setting for the music of Shep Fields or Benny Goodman. This is the first time since our arrival that I have talked or even thought about broadcasting. The only reason for my doing so today is that earlier in the morning the Juniper Quartet—myself, Jane, Alan and Tom—did some practising in anticipation of a sing-song which is being held this evening by the L's, and ourselves on a point of Pamela's island. Bill, who accompanied us on his guitar, criticized us for our lack of style and implored us to "streamline" it. With sisterly frankness, Jane retorted that we have not taken the Hollywood High Hatters for our model. At once a discussion began about "popular" singing on the air. Jane reminded Bill that according to the result of a poll held a while ago by a radio magazine Nelson Eddy is the second most popular radio star, with Jack Benny first and Lanny Ross third.

Jack Benny's popularity with the radio audience is easily understood, but it is surprising that the number of his records should be an operative haritone. In my opinion Nelson Eddy is a better radio artist than film star. He has the faculty of getting close to listeners on the air and seems to be more at his ease in front of a microphone than when faced by a motion picture camera. Last season his "Open House" was among my favorite programs; but until Mr. Eddy was placed second in the list of popular radio stars I had no idea that so many listeners agreed with me.

Some weeks ago Lanny Ross severed his connection with "Show Boat"—the program of which he has been for so long the bright, particular star. He announced that he intends to appear on the concert platform. He is probably wise to leave "Show Boat"—though the mythical craft does not seem itself without him—but his millions of admirers, including myself, confidently expect him to return to the air before many months have passed.

WEDNESDAY: The sing-song last evening was a great success; though as I suspected, Mrs. A., who is staying with Mrs. L., was not entirely pleased with it. She came over to see Pamela this morning and spent most of the time talking to me about Mrs. L.'s niece Ruth. It seems that Ruth was given an audition a month ago at a Toronto radio station and has heard nothing further. Mrs. A. wanted to know what I thought about it. My answer was that there was probably nothing to hear. Ruth is not temperamentally fitted for work on the air. If there ever was any warmth in her voice, which is doubtful, it has been trained out. Last evening when she sang "From the Land of the Sky-Blue Water" I am certain that the picture in front of her eyes was a sheet of music. She was interested in her tone and her breathing and did not care anything about the captive Indian maid or the lover with his flute. Consequently her listeners did not care either.

Mrs. A. did not agree with me. She told me that my musical taste was steadily deteriorating since I had



A HALT FOR BREATH is called by the Wheeler family during their climbing expedition in the Upper Yoho Valley, where they are members of the Alpine Club of Canada. Left to right: Lieut.-Col. E. O. Wheeler, member of the first Mount Everest expedition and now living in Sidney, B.C.; Mrs. Wheeler; Master John and Miss A. G. Danielson, of Cranleigh, Surrey, England.

taken to listening to so many radio programs. She added that, of course, young people have no sense but she thinks it deplorable for a woman of my age to allow a quartet of which I am the soprano to sing "Lady, Play Your Mandolin." She suggested that we might learn "Just a Song at Twilight." Though a girl like Ruth might as well give up all thought of becoming a radio artist, there are others who might make their way if they could

discover where their talent lies. Even experienced artists make mistakes. For instance, a few weeks ago a contralto, whose other songs were a joy to hear, finished her recital with A. A. Milne's "Vespers." Ronald, as usual, went to the heart of the matter in one sentence: "She doesn't seem to know much about Christopher Robin." I sang off the air until Stanley Maxted comes back from England.

SHERBROOKE'S CENTURY

The following article, particularly those sections of it dealing with the earliest settlements, is based on information supplied by James Potter Keough, one of the official historians associated with the centenary celebration.

SHERBROOKE, industrial and cultural centre of the Eastern Townships of Quebec, is celebrating its centenary this summer. The exact reason why any particular city, that is mature enough to celebrate a centenary gracefully, chooses any particular year for a centenary celebration is sometimes rather obscure, and this seems to be the case with the selection of 1937 for the Sherbrooke anniversary. For the history of the community goes back considerably beyond one hundred years. Probably 1837 was the date of its formal incorporation as a village, but there seems to be no very good reason why the pleasant and energetic city should not have its first centenary celebration about 1894, nor why it should not have had several first rate celebrations between that date and the present, nor why it should not have centenary celebrations every five or ten years until 1974 at least. For this city, in its development from the first log cabin in the wilderness to a population of 30,000, and from the site of a water-power saw mill to the home of sixty industries, has a great many important dates to remember.

All available records point to the first white settlers, of the land where the city was to rise, being United Empire Loyalists. Among the family names were Hyatt, Moe, Terrill, Dorman, Ball and May. In 1796 Gilbert Hyatt, on his own account and also as agent for several of his brothers and various others applied for a grant of land in the district. It seems clear, however, that Hyatt and the others for whom he made application were already settled in the district and had cleared some land, built cabins and raised their first few crops. There is an authentic record of the birth of the first white child in 1794, a daughter to Samuel Dorman and his wife, Olive Hills Dorman. Hyatt's land grant was conveyed in 1803 but was not registered at Quebec until 1824. In the meantime he had erected a sawmill on the Magog River near its confluence

with the St. Francis at a place where very little work had to be done to harness plenty of water-power. The site is now occupied by the plant of the Southern Canada Power Company. Shortly afterward, Hyatt added a grist mill. In the homes of all the settlers the women were undoubtedly doing their own spinning and weaving. Thus from its earliest days Sherbrooke had abundant water-power and textile industries, the two factors which from an economic point of view have most importantly contributed to its growth.

IN 1822 the small collections of cabins was chosen as the headquarters of the judicial district of St. Francis and a court house was built. The next year saw the building of the first church, St. Peter's Anglican, although worship had been conducted in the homes of the settlers from the earliest times. The first Roman Catholic service in Sherbrooke was in 1833. The community grew rapidly during the next few years, the British American Land Company, consisting of a group of English capitalists, having received a charter to settle the district. In 1827 the "Farmers' and Mechanics' Advocate," Sherbrooke's first newspaper and ancestor of the present Sherbrooke "Record," was published (and possibly this is as good a reason as any for selecting 1937 as the centenary year). The village was incorporated as a town in 1852, and the town as a city in 1874.

If the abundance of cheap power has made it an important industrial centre, the character and quality of its early settlers contributed greatly to Sherbrooke's progress as a cultural centre. In this city the two races, French and English, have perhaps been able to live in greater harmony and with a greater appreciation of the fine qualities of each other than they have in any other community in the Province. Originally predominantly English, Sherbrooke now has a French population outnumbering its English citizens four to one, and the transition seems only to have mellowed the blend of the two cultures in the community life.



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MRS. HARRY T. ROESLER, of Toronto, National President of the Canadian Federation of Catholic Convent Alumnae which is holding its third biennial convention in Toronto, Aug. 31 to Sept. 3. Pope Pius XI recently conferred the Benemerenti medal upon Mrs. Roesler in recognition of her work as a founder of the organization.



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"THE SHELTER," one of the little-known Homer Watson works at the Preston Springs show, is owned by Hon. Chief Justice Rowell.

WATERLOO PAINTERS

BY LUCY VAN GOGH

IT WAS an interesting idea which led Mr. Gordon Hagmeier and the Kitchener-Waterloo Centre of Community Arts to organize an exhibition of the works of seven painters belonging to Waterloo County; and in spite of the assertion of the publicity agents that "possibly" no other Canadian county has produced so many famous painters, we still think it is an idea that might well be carried out by other sections of the older parts of this country. Not every county, of course, can claim a Homer Watson, since that great landscapist was during the closing years of his life one of the outstanding figures among conservative painters not only in Canada but in North America. Seeing that he was born at Doon in Waterloo County and lived there continuously, with the exception of periodical visits to Europe, until his death last year, it seems as if there might be something in the contention that the highly characteristic landscape of the Doon valley had a good deal to do with the development of his artistic style. The holding of similar regional exhibitions in other places would give us a chance to judge how far purely territorial influences have affected the work of Canadian painters.

Besides Homer Watson the Waterloo show, which is on view at the

Preston Springs, Preston, includes works by Carl Ahrens, C. Macdonald Manly, Frederick Challenger, Frank Panabaker, David Gibb and Mrs. E. J. Hinton. The larger paintings by Watson contain nothing that is new to students of his work, but there are a number of smaller sketches which reveal a great deal of his personal feeling and selective technique. There is a very fine collection of examples of Carl Ahrens, who spent most of his active life depicting the noble timber of the country, in a highly romantic vein and with an exceptionally delicate sense of color. The show contains numerous good examples of both his early and later periods, together with a dozen etchings.

C. M. Manly also came to Waterloo at an early age, settling in Conestoga, and exhibiting in the O.S.A. as early as 1876. His draftsmanship was of high quality, and a group of sixteen Conestoga drawings is the most interesting portion of the section devoted to his work.

Coming to the younger generation, Frank Panabaker has for some years been steadily improving his reputation both in Canada and in the United States. He is a native of Hespeler and has found in Waterloo County the material for many of the best of his airy and sparkling landscapes. David Gibb,

of Galt, is a painter with a considerable local reputation who deserves to be more widely known, but who is perhaps still too greatly influenced by Watson and Ahrens, both of whom were his teachers a good many years ago. Mrs. Hinton is an able pupil of C. M. Manly.

The seventh artist in the catalogue is better known as a muralist and figure painter than as a landscapist. He is F. S. Challenger, who came to Canada in 1883, and became in 1890 the youngest member of the Royal Canadian Academy; he lived for many years in Conestoga, but his landscapes in the present exhibition are more concerned with the Ottawa Valley. His figure pieces exhibit fine drawing and a delicate fancy.

TRAVELERS

Chief Justice and Mrs. R. A. E. Greenshields, who have been at the Manoir Richelieu, Murray Bay, have returned to Montreal.

Mr. and Mrs. Richard Price have left Quebec for Tadoussac to spend some time with Mr. Price's mother, Lady Price.

Brigadier-General and Mrs. E. de B. Panet were among the Montreals recently arriving at Banff.



"HAND IN HAND." The week's prize photograph, by Norman P. Smith, 113 Braemar Avenue, Toronto. Taken at Haliburton, Ont.; Thagge, No. 2 Agfa filter, 1/5th second at F16.

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ART AND DROUGHT

BY G. CAMPBELL MCINNES

TO IMAGINE that in the midst of her travail Saskatchewan has no time for the cultural amenities is seriously to underestimate the astonishing ebullience of the West. In whole areas of southern Saskatchewan there are no crops—have been none for in some cases as long as eight years—and all over the province crop failures have been general. Yet in the towns and cities the automobiles are parked thick along the streets (gasoline varies from 23¢ to 28¢ a gallon); movie houses, beverage rooms and dance halls are thronged.

To those who believe that western optimism—whether blind or far-seeing—is a mere fabrication of after dinner speakers, a voyage through this country is most revealing. One passes through areas 200 miles long where the grass is burnt to a cinder, where the grain did not even grow, or if it did, was devoured by grasshoppers, where starving stock are being shipped east, where farmers with families of five are facing the winter on a relief grant of \$16.50 a month. Yet the people are unresentful. They may be down, but are not out, and jokes about the situation—arid enough to an Easterner spring from their lips. Their resiliency is amazing.

It is typical of this spirit that Saskatchewan should have chosen these years of depression and drought to embark on a vigorous program in the art field. And the results are in striking contrast to the devastation one sees on all sides. The Province has a population of slightly under one million, yet in the small centres, and particularly in Regina and Saskatoon, astonishing results have been achieved.

SATURDAY NIGHT readers have already learnt of the vigorous program for the dissemination of the fine arts, originated by the former President of the University of Saskatchewan, Dr. Walter C. Murray, which involved the establishment of a chair of fine art, the initiation of a summer school, and the commencement of regular courses at the University and at Regina College. During the last year these have prospered greatly, and already the smaller centres are beginning to reap the benefit of this new policy, especially as teachers, trained in the summer school conducted by Mr. A. F. Kenderdine and Professor Gordon Sheldrake, begin to pass on their knowledge to their pupils.

The Province is also the possessor of a representative art collection which, though bequeathed to it by the late Norman Mackenzie, K.C., some time ago, was only recently made accessible to the public, following the lines of Dr. Murray's plan. The bulk of the collection—with the exception of some pictures deemed too valuable for exhibition, is now hung on the walls of Regina College, pending the erection of a special gallery, and provides an excellent field for practical student work.

THE collection is very uneven, reflecting the taste of a man with very definite opinions, rather than of high aesthetic sensibilities. In some cases, names rather than works have been the object, and consequently some mediocre paintings have been included. Nor are the attributions always reliable or verifiable, and much work that is definitely labelled should be queried till its genuineness is fully established. The catalogue, for instance, lists works by Signorelli, Van Dyck, Michelangelo, Tintoretto, Leonardo, Titian, Gainsborough, Romney, Constable and Girtin—to name only a few. It is quite obvious that most of these must be either school pieces or later work and, from what I saw of the collection, I feel very dubious about many works. But there are some good pictures, notably a madonna and child attributed to Tintoretto, two drawn female heads of unusual delicacy, possibly by Sodoma,

a little Gainsborough sketch of a woman at rest, and a landscape which, whether or not it is the work of Constable, contains some rich passages of sustained bravura.

There is also a Girtin water-color of ruins, which is strong and free, a small Turner water-color, and a portrait of an old saint, attributed to Ribera, which has a certain theatrical magnificence. I understand that the collection is reputed to contain studies attributed to Veronese, Mantegna, Correggio, Raphael, Rembrandt, Dürer, Delacroix and Bonington, but these were not on view. When thoroughly expertized, the collection may or may not prove to be of great worth, but irrespective of this, it constitutes a first rate "laboratory" for students and art lovers. If conscientiously treated, it might well develop along the lines of a miniature Fogg Museum. Here, at any rate, is something quite unique in the Dominion.

ARCHITECTURALLY, too, Saskatchewan is looking forward. The Legislative Buildings in Regina—provided one can swallow the practice of aping Washington (itself a pastiche)—are very fine, and their setting is magnificent. Viewed across Lake Wascana, behind their avenue of flowers and landscaped terraces, they are a very lovely sight. The Dominion Government Building is a recent and excellent addition to the city's architecture. Apart from a meaningless tower which surmounts the building, and is quite out of key with its main lines, the structure is simple, strong, and formally satisfying. Built of yellow brick, faced with Manitoba tinal stone on the main floor, the economy of line is accentuated by a free use of vertical bronze spandrels which carry the eye in a clear sweep up its face. The new bridge across the South Saskatchewan River at Saskatoon is firm, delicate and functionally competent. And there are always the grain elevators.

Nor should one forget the memorial gallery at the Nutana Collegiate, in which a painting has been hung to commemorate each ex-student who fell in the Great War. Though one hesitates to believe that the deceased would, in all cases, have been satisfied with the work chosen in their memory, the idea is an excellent one, and might find a ready acceptance in other centres in the Dominion. Working under handicaps, Saskatchewan has successfully shown ways in which art and the people may be brought closer together. And that is something eminently worth while.

TRAVELERS

Mr. and Mrs. J. J. Ashworth have returned to Toronto from Murray Bay, where they were guests at the Manoir Richelieu.

Commodore and Mrs. Percy Nelles, of Ottawa, were the guests of Lady Kingsmill at Portland-on-the-Rideau for the week end.

Mr. and Mrs. William Armour, of New York, and Mrs. Carter spent the week-end in Ottawa with the United States Minister to Canada and Mrs. Armour.

Mr. and Mrs. Gordon H. Moffat have returned from their wedding trip and will spend the remainder of the summer with the latter's parents, Mr. and Mrs. H. T. Tilley, at their place at Parry Sound, Georgian Bay. In the fall they go to Lennoxville, Quebec, where Mr. Moffat is a master at Bishop's College. Before her recent marriage Mrs. Moffat was Miss Ruth Tilley.

Mr. and Mrs. George Clemons have returned from their honeymoon abroad and aer at their residence in Brantford. Mrs. Clemons was Miss Helen Henry.

ABOUT THE HOUSE

BY BERNICE COFFEY

A NUMBER of excellent suggestions have been made for various improvements to houses as a result of the Home Improvement Plan. The Plan, as everyone knows, is a means of making it possible to modernize houses now instead of putting it off to some far distant day in the future.

The house-owner who desires an air of sturdiness about his residence can choose no more suitable background for a living-room than paneled walls and beamed ceilings. Reminiscent of the days of turrets and towers, this type of room suggests the fact that "Every man's home is his castle." In one house in which such a change was made a stone fireplace was the focal point of the room. It was in keeping with the ruggedness of the entire scheme and boasted a flagged hearth. A plain pine mantel was used to complete the unit. Two of the walls were finished in pine panelling and rough plaster was used on the other two. Adzed beams were used for the ceiling, and the floor was of wide planks which had been stained and polished.

Small paneled windows were left uncurtained. Side draperies, however, were arranged so that they could be drawn across. The family which owned this house had a number of antiques which had been stored away for years, and these were used to furnish the new living room. With the exception of a radio—than which there is nothing more modern—an atmosphere of old world charm predominated.

A MOST convenient little gadget is the telephone cupboard built in a wall. It may have an elaborate door, or it may have a simple paneled door, or, if you desire it to be very inconspicuous, you may cover it with the same wallpaper as covers your walls. The door lets down, serving as a desk. There is a storage space provided in the wall for a telephone book and a pad of paper and pencil, and the beauty of the thing is that the door opens not only on this side of the wall, but on the other side also, making it possible for the phone to be in use from either of two rooms.

USUALLY furniture is purchased to suit the house, but occasionally the house is acquired after the furniture. In such cases, rooms must frequently be made to conform with the type of furnishings which are available. This was a problem met recently. The furniture, most of which had been in the family for generations, was Georgian, while the room itself was rather nondescript. It was decided to change the room completely.

Two bookshelves were built in the wall on either side of the fireplace. The tops of these were arched and the shelves extended to the floor. The moulding of the shelves conformed to the columns of the mantel. No mirror was hung over the mantel because it was planned to reserve the space for a family portrait. The fireplace was black tile which did not conflict with the colors used in the room's decorations. A wallpaper in olive and grey stripes covered the walls. Against this neutral background the fine woods of the furniture stood out in bold relief. The woodwork was done in antique white. The history of the chairs was told in some times, vanity being introduced in the room through the use of flowers. Draperies, rugs and cushions were in shades of grey, brown and white, with antique gold accents. The room had become serene and beautiful, a fitting background for the lovely old furniture.

THE old Scotch gardener has this to say about lawns: "Grass should be allowed to grow perhaps two inches high before clipping. Close clipping should be avoided. The food which supplies the energy in grass as well as in other plants is manufactured in the leaves, and if there is insufficient leaf growth the vitality of the plants will be reduced. A new lawn should not be cut as early as one which has been established for



TREASY JUBILEE. Stoney, Blackfoot, Blood, Piegan and Sarcee Indians recently celebrated at Banff the sixtieth anniversary of the signing of the Treaty of Blackfoot Crossing by their forefathers and the representatives of the "Great White Mother". Mrs. David McDougall who, as the seventeen-year-old bride of a missionary, placed her witnessing signature on the treaty in 1877, was a guest of honor at the jubilee ceremonies. Behind her are dignitaries of the tribes, including Head Chiefs Yellow Horn of the Piegans, David Bearsapaw of the Stonies, and Duck Chief of the Blackfeet, and Chiefs Turned Up Nose of the Blackfeet and Walking Buffalo (in feathered head dress) of the Stonies.

—Photo by F. Gault, Calgary.

several years. In fact, the grass should be allowed to grow until it begins to fall over. It should be mowed promptly then, for otherwise some of the plants will be smothered. And rolling a lawn throughout the season is decidedly harmful as it makes the surface soil far too compact. Rolling is worth while in the spring when the ground is slightly moist, but does more harm than good after that season is past.

The gardener mentions one other point and a very important one. That is the use of water. Little is accomplished by merely sprinkling the surface, even though this be done every night. Water which penetrates the soil to a slight degree may only coax the roots toward the surface instead of permitting them to burrow deeply into the cool earth, as they should do. Enough water should be given to thoroughly soak the soil, or else it should be withheld entirely. As a rule, one thoroughly good watering once a week is sufficient, but that one application is almost indispensable if the season is at all dry. Excessive watering has a tendency to develop brown spots, especially in lawns containing bent grasses, and it loosens plant food from the roots in sandy soil.

TRAVELERS

Mrs. Pierre F. Casgrain, who has been spending two and a half weeks in Montreal, has left for Saint-Frederic-Bas, where she is the guest of her mother, Lady Forget. Mrs. Casgrain is accompanied by Miss Renee Casgrain and Master Paul Casgrain, who have just returned from spending a month in camp at Canoe Lake, Ont.

Mrs. Frank Carrel, of Quebec, has sailed on the Empress of Britain for England and Southern France, where she will visit relatives. She will return early in October.

Commander and Mrs. J. O. Cossette, Mr. Peter and Miss Eleanor Cossette and Miss Beatrice Kemp have left Ottawa on a motor trip to Nova Scotia and the New England States.

Mr. and Mrs. Gordon Corner, of Montreal, have left for a tour of the Gaspé Coast, after visiting Mrs. Corner's parents, Colonel and Mrs. D. B. Piquet, in Quebec.

Mr. and Mrs. Fane Sewell, of Toronto, who have been spending the past month in Vancouver, have gone to Victoria to stay during the rest of their visit.

The Hon. G. Howard Ferguson and Mrs. Ferguson have returned to Toronto from England. They were the

guests of Lord and Lady Craigavon, who gave a garden party for their Majesties the King and Queen in Belfast on July 28.

Mrs. Kenneth McRae, of Vancouver, has taken a cottage at Savary Island for a month.

Mrs. Lennox Teakle and her daughter, Marjorie, have returned to Quebec from Chaleur Bay, where they have been for several weeks.

Mr. and Mrs. R. W. Gouinlock and Master R. Gouinlock, of Toronto, were recent visitors at the General Brock Hotel, Niagara Falls, Ont.

Lieut. Colonel and Mrs. George G. Mitchell, of Toronto, are at their summer residence at Point-au-Baril. Their son and daughter-in-law, Mr. and Mrs. John R. Mitchell, and their son, Mr. Alex. Mitchell, have been spending some time with them.

Mrs. H. E. Molson, who has been big game hunting with her husband in Africa, after which they went up to London for the Coronation, is en route to their home in Vancouver.

Dr. and Mrs. N. S. Shenstone and their daughter, Miss Barbara Shenstone, have returned to Toronto after a trip to the West Coast.

Mrs. Mostyn Lewis and her small son, Herbert, of Montreal, who spent the month of July at their cottage at

A TIMELY TREAT—PEACHES AND SHREDDED WHEAT

HERE'S a breakfast to make your mouth water. A generous portion of ripe, luscious, sliced fresh brown Shredded Wheat biscuits, and smothered in cream, the perfect flavor partners. It makes a most delicious dish and a most nutritious element of whole wheat in a most appetizing and digestible form. Serve Shredded Wheat every morning.

THE CANADIAN SHREDDED WHEAT COMPANY, LTD.
Niagara Falls, Canada

SHREDDED WHEAT
MADE IN CANADA - OF CANADIAN WHEAT

St. Patrick with Mr. Lewis, have left for Kennebunkport, Maine, where they will be the guests of Mrs. Lewis' mother, Mrs. Anson McKim, for the remainder of the summer.

Colonel and Mrs. Richard Greer have returned to Toronto from a month's motor trip to Gaspé and Saint John, N.B.

Mr. and Mrs. Wallace Barrett, of Toronto, spent the week-end with Mr. and Mrs. A. L. Ellsworth at their

summer residence on Robinson Crusoe Island, Beaumaris.

Mrs. N. J. Dawes and Miss Patricia Dawes have returned to Montreal from Gloucester, Mass., where they spent a fortnight.

Mrs. L. P. D. Tilley, of Saint John, N.B., who has been spending several months with her daughter, Mrs. Ronald Mears, in England, returned to Canada recently in the Canadian Pacific liner Duchess of York.

THE GOOD GREEN EARTH



Canadian source of tomatoes for the House of Heinz is the rich country surrounding Leamington. Above, pedigreed tomato seeds, developed through careful cross-breeding, are being planted in approved greenhouses for spring nurturing.

As they reach the seedling stage, these sturdy little plants are thoroughly examined. Most perfect specimens are then deftly packed in soft soil by the nimble fingers of well-trained workers, for further development, under glass out-of-doors.

By early summer the plants that are to bear the famous Heinz tomatoes are ready for transplanting. Only the sturdiest, most likely looking sprouts are chosen for this important mission. Above, Heinz farmers loading choice hotbed seedlings for their journey to the open fields.



Typical is this broad, fruitful Ontario field in which aristocratic Heinz tomatoes are brought to full maturity. All through the long summer months, Heinz tomatoes, under the ever-watchful eyes of Heinz-selected farmers, soak up sunshine and store away the valuable vitamins and minerals in which they so richly abound.

Just after dawn of the day on which they reach the peak of their vine-ripened perfection—before the dew has dried on their sleek, firm cheeks—Heinz tomatoes are plucked by sure, swift hands.

Then they're rushed red-ripe from tip to stem—to near-by Heinz kitchens. Long before the sun has reached its meridian, Heinz "pedigreed" tomatoes have been weighed, inspected, sorted—are ready for washing, peeling, pressing, cooking. Each tomato is perfect, thoroughly mature, blemish-free.



No anonymity is the Heinz tomato. He is, indeed, the Aristocrat of all tomatoedom, boasting the most distinguished ancestry of the vegetable kingdom. His full, rich, ripe, fresh-off-the-vine flavour has won for Heinz tomato products enviable acclaim as the world's finest-tasting tomato foods.

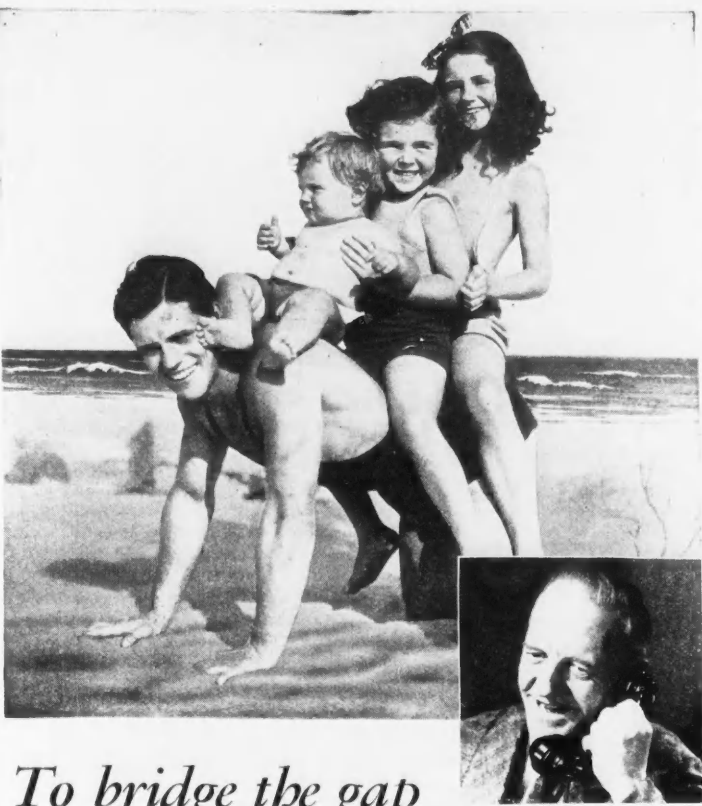
Taste-duplicate of the Heinz Aristocrat tomato at the peak of its perfection, is Heinz tomato juice. Its richness is readily discernible, for it "clings to the glass." Heinz is natural juice—only a pinch of salt added for piquancy. Morning, noon or night, chilled or hot, it's Nature's grandest beverage!

Seven, in all, are the Heinz products made from the Aristocrat tomato. 1. Heinz tomato juice. 2. Heinz tomato ketchup, world's largest seller. 3. Heinz chili sauce. 4. Heinz home-style cream of tomato soup. 5. Heinz cooked spaghetti (with tomato sauce and cheese). 6 & 7. Heinz oven-baked beans in tomato sauce with and without pork. All are at your grocer's. Order a supply today!



PATTERN WITH PATTERN—though some decorators may draw the line at that, others unhesitatingly combine patterns which are distinctive. Here, for instance, there is an entirely happy relationship established by the ribbon-patterned draperies and a floral paper.

—Courtesy: The Robert Simpson Co., Ltd.



To bridge the gap between week-ends!

JIM THOMPSON never lets loneliness get him down. With the family away for the summer he bridges the gap between week-ends, by telephone. Twice a week, at a set hour, he has a reassuring and cheering chat with wife and youngsters. There's nothing like Long Distance to take the edge off separation. It's speedy, clear, dependable and invaluable in emergency.



●On both "Anyone" and "Person-to-Person" calls, Low Night Rates apply every evening after 7, and ALL DAY SUNDAY.

*** KEEP THAT
AFTER-BATH FRESHNESS
-all day long-**

Guard yourself against the annoying and ever-present risk of offensive perspiration. Thousands of women appreciate the effectiveness of this perfect Deodorant which can be quickly and easily applied. Non-irritating and harmless.

DEW
The Refreshing Deodorant

**HEAT IS NO
HEALTH HAZARD
WHEN TOILETS
ARE CLEANED
WITH
Sani-Flush**



Beware of a soiled toilet. Hot weather increases the danger. Germs breed faster. Odors become more noticeable. Keep the bowl sparkling clean. Purify the hidden trap. Use Sani-Flush. The scientific formula for Sani-Flush was developed especially to do this job better. Sani-Flush cleans toilets without unpleasant scouring. Just sprinkle a little in the bowl. (Follow directions on the can.) Flush. Stains vanish. Odors are banished. Germs are killed. The porcelain becomes white as snow. Sani-Flush cannot injure plumbing.

It is also effective for cleaning automobile radiators (directions on can). Sold by grocery, drug, hardware and syndicate stores—30 and 15 cent sizes. Made in Canada. Distributed by Harold F. Ritchie & Company, Ltd., Toronto, Ontario.

Sani-Flush

CLEANS TOILET BOWLS WITHOUT SCOURING



WAITING FOR THE EXHIBITION. But they are not part of the crowd waiting for admittance on the opening day but some of the puppets who will appear in the show popularizing science that will be presented in the pavilion of chemical industries at the Canadian National Exhibition. Puppeteers in charge of the show will be Mr. and Mrs. D. J. Keogh, of Toronto.

DRESSING TABLE

BY ISABEL MORGAN

IF YOU have always worn a size 16, and now are discovering that they seem to be making 16's smaller and that dresses of this size are becoming too tight about the hips, then it's time to take a long, hard look at yourself in a full length mirror. And it probably will tell you the bad news... yes, it's true that you are becoming a bit "hippy." It probably will be quite a shock to find that your slender, graceful figure is not all it should be. We hope the shock will be sufficient to make you do something about it, instead of being philosophical about the matter.

It's probably not overweight, but a general slumping of the lines of the figure that is the cause of it all. There is no reason at all why a trim upright figure cannot be regained. There are exercise salons that specialize in the work of helping one do so, and there are exercises one can do at home.

If you take the course they probably will tell you there is no necessity to go on a restricted diet, but to eat wisely and not too well. And they probably will reshape you by either or both of two methods: massage and exercise.

The first lesson will be one on posture. Stand with the back against a wall, feet about six inches from the wall, knees slightly bent, and pull in the tummy and press so that every part of the back touches the wall. Then bend the elbows so that the backs of the hands are flat on the wall, and slide them upward as far as you can and still keep the small of the back, shoulders and hands touching the wall. At first you will remember about your shoulders and let a hollow appear in the back or vice versa, but with a little practice it will be quite simple to do correctly. This exercise is practised every day.

Other stunts are done on a mat. These are called "tuck-in" exercises. Lying, knees bent, learn to contract the abdomen and press the small of

the back into the floor, relax and repeat again and again. Do the same thing on the side, lying with one arm outstretched under the head. This will improve the general carriage.

In succeeding exercises practice hip rolling and hip flops. In the former you lie on your back, raise the legs, and swing them to one side. This helps to attain a slender waist and a flat abdomen. The hip-flop is done by flopping the legs smartly from side to side, and is excellent for slimming the hips. Another exercise is that of sitting on the floor, feet wide apart, and falling forward with arms outstretched and reaching as far as possible. Then slowly pull arms back as you return to a straight sitting position.

A more difficult exercise, and one that should be done only after the others have been mastered, is that of drawing the knees up to the forehead. Then stretch the legs up straight with hips twisted to the right. Then bend the knees, repeat, turning hips to the left.

All of which sounds pretty strenuous, but is the price you must pay—so help you—if you want to earn the bliss of finding all your present dresses a little too loose about the hips.

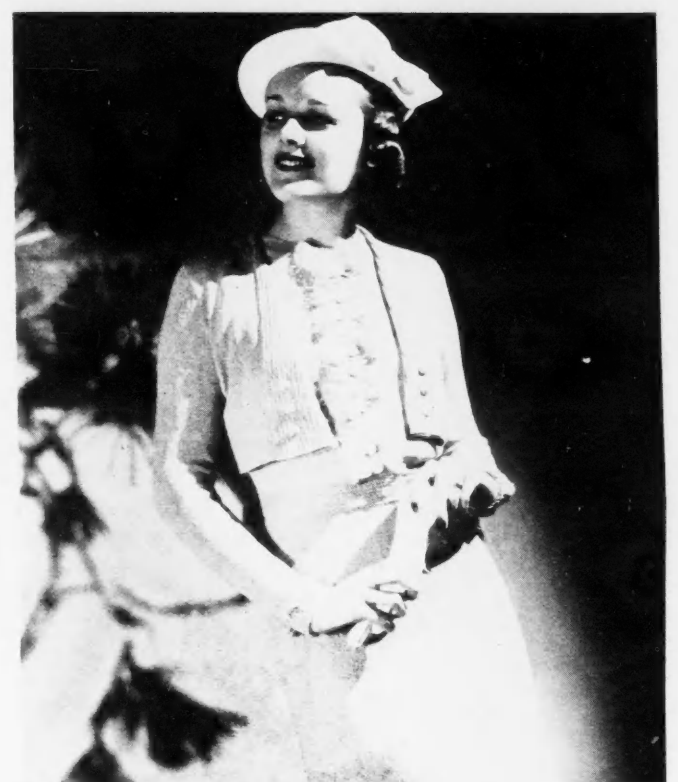
TRAVELERS

Hon. Mr. Justice Makins and Mrs. Makins have been guests of Mr. and Mrs. Arthur Clute at their summer residence, Idylwild, Lake Rosseau.

Canon and Mrs. H. P. Plumtre have left Toronto for their summer place at Honey Harbor, Georgian Bay.

Mrs. Maurice Davis, of Montreal, who was the guest of Mrs. A. S. Whitney at Murray Bay, is now at the Manor Richelieu where she will spend some time.

Mr. and Mrs. John Belmont and their children, who have been spending a month at Blue Sea Lake, have returned to their residence in Montreal.



So Soft and Caressing THEY SLIP THROUGH YOUR FINGERS

It's the really clever people who are "knit-minded" these days—and it's the clever people who will discover the pleasure of working with Corticelli's two new yarns—'Blossom Crepe' and 'Crepemist'. These two new yarns have a caressing softness you never thought possible with Rayon Boule. They are easy to knit with and the finished garments are cool, light and altogether delightful for sports or summer wear. Available in 24 gay new colours of 'Blossom Crepe' and 15 beautiful shades of 'Crepemist'. Don't fail to see the many smart styles in the new book KP20, now on sale at all good shops, 25 cents, or direct from Beldine-Corticelli Limited, Box 120, Dept. N., Montreal.

Corticelli
MADE IN CANADA

BLOSSOM CREPE-CREPEMIST
25c. PER BALL



HOLIDAYING ABROAD. Miss Sherrill McMaster, daughter of Mr. and Mrs. Ross McMaster, of Montreal, photographed as she embarked recently on the Canadian Pacific liner Empress of Britain.

WE don't claim you will feel as cool as these polar bears, but you will find The Roosevelt one of the coolest hotels in New York during the Summer months. Air-conditioned dining rooms and lounges... cross-ventilated bedrooms... a clear, cooling swimming pool and gymnasium... are all designed to make your stay at The Roosevelt a matter of cool comfort.

Private passages from Grand Central Terminal direct to lobby.

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Canary ailments successfully treated by the only recognized canary specialist.
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ANY 20 PIECES

from your family wash, including Flat Work and Wearing Apparel

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Extra Pieces 5c. ea.

• Send in thing washable in this Service — only exceptions are curtains, rugs, blankets, quilts. Every piece beautifully finished. (Wearing apparel NOT starched.)
• Men's Shirts "hand finished" in this Service only 10c each extra — "press finished" at no extra charge.

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THE SOCIAL WORLD

BERNICE COFFEY, SOCIAL EDITOR

AN OUTDOOR mid-summer's night fantasy, in which the younger members of the Seigniory Club and their friends participated, transformed the club's lagoon and lawns on the evening of Saturday, August 7, into the picturesque setting of 18th century Venice. Produced by Cecil West of the Montreal Repertory Theatre with the musical direction under Harry Norris, of Montreal, the pageant took the form of a Venetian fete chantante during which many of the songs from Gilbert and Sullivan's delightful "Gondoliers" opera were sung by members of the St. Lambert Operatic Society.

Against the black silhouette of the southern shore of the Seigniory Club's lagoon a section of the Grand Canal materialized as if by magic just after nightfall, and before two or three hundred spectators grouped on the surrounding lawns the junior members of the club and many of the guests combined with a troupe of singers to enact one of the most colorful and artistic spectacles ever to be enjoyed at the club. Lighted by a shower of brightly colored fireworks, six gondolas, complete with gay trappings, took shape at the mouth of the harbor and slowly advanced, bearing the singers who wore the rich costumes of the period. Weaving about the lagoon and grouped about sandy mooring posts, the gondolas finally disembarked the company after many of the delightful and familiar songs had been sung. Under the light of flitting flames they were met by a troop of costumed soldiers and gondoliers and by a masked carnival crowd. With the principals mounted on horseback, the ensemble paraded about the beautiful grounds of the Log Chateau, up to the flagged terrace and into the main dining-room where the singers, well versed in Gilbert and Sullivan music, were persuaded to give excerpts from other of the operas.

Perfect weather conditions, plus a natural setting that would be difficult to equal, made the presentation a thing of exquisite beauty that will live in the memory of those who witnessed it.

AMONG the group of young Canadians and Americans who took part in the pageant were: the Misses Mary Porter, Jeanne Stadler, Jean Forbes, Josette Dupuis, Mrs. G. Robertson, the Messrs. Jean and Guy Saint-Pierre, Reid Johnston, and Doctor C. Pattee, of Montreal; Jack and Olga Brown, of Ottawa; Miss Mary Carruthers, of Brooklyn; Misses Jean and Nancy Stinton, of Chicago; Miss Barbara Stearns, New Canaan, Conn.; John and Virginia Locke, Villa Nova, Pa.; Jim Kenny, Buckingham; Miss Josephine Debus, Forest Hills, L.I.; Mrs. D. V. Robertson, Toronto.

Canadian members and guests at the Seigniory Club during the week included: Mrs. H. D. McNamara, Toronto; Mrs. J. K. Atherley, of Atherley, Ont.; Mr. and Mrs. W. J. Henning, Miss F. M. Henning and Mr. Strachan Clark, Toronto; Mr. and Mrs. Alex Skelton,



ON QUEBEC HOLIDAY. Miss Catherine Dickenson, of Montreal, Mrs. Donald Robertson, of Toronto, and Miss Mary Carruthers, of Brooklyn, N.Y., snapped at the Seigniory Club in the Province of Quebec.

Ottawa; Mr. and Mrs. A. F. Robinson, Waterloo, P.Q.; Mr. and Mrs. R. N. Ball, Woodstock, Ont.; Miss Edith Guicher, Halifax; Mr. W. T. Alexander, Ottawa; Mr. and Mrs. F. Saint-Pierre, Montreal; Mr. Allan Code and Mr. E. M. Sabistun, Perth, Ont.; Mr. and Mrs. George Caudwell, Brantford, Ont.; Mr. and Mrs. F. A. Thomson, Miss Joy Thomson, Master Peter Thomson and Mr. and Mrs. Allen Campbell, Montreal; Mr. W. H. A. Thorburn, Niagara Falls, Ont.; Mr. and Mrs. S. B. Cornell, Toronto; Mrs. J. W. Manchester, Miss E. L. Ashdown and Miss L. Ashdown, Winnipeg; Mr. J. T. Preston, Montreal; Mr. and Mrs. W. T. Hutchison, Westmount; Mr. and Mrs. Jos. A. Cameron, Montreal; Mr. and Mrs. E. R. W. Hobden and Mrs. E. A. Whitehead, Montreal; Mr. and Mrs. Fred Davey, Montreal; Mr. R. B. McDonald, Walkerville, Ont.; Miss Sally Davis, Ottawa; Mr. and Mrs. R. M. Harcourt, Toronto.

THE Lieutenant-Governor of Prince Edward Island, Hon. George Desbrisay Blois, and Mrs. De Blois held a reception at Government House, Charlottetown, recently, in honor of Mr. Paul de Marky, well-known pianist, following a concert which he gave in the Prince of Wales Hall at Charlottetown.

TORONTO

ONE of the interesting social events in connection with the Sifton Horse Show was the garden tea to which Mrs. Stafford Higgins had invited a large number of her friends. The tea took place in the garden at "Briarcliffe," Mrs. Higgins' summer residence at Jackson's Point overlooking the blue waters of Lake Simcoe. Mrs. Higgins received her guests wearing a flowered silk frock, and was

assisted in receiving by Mrs. D. M. Sorenson and Mrs. Higgins' daughter, Mrs. Bruce Barry.

WINNIPEG

DELIGHTFUL visitors to town were Major-General and Mrs. Victor Anderson who are returning to their home in Ottawa after a trip through to Victoria. Their visit here was all too short and with so few people in town, the gatherings were perforce of a most informal nature. However they dined informally with Mr. and Mrs. Charles M. Taylor one evening and Colonel and Mrs. C. Grant another, while Mrs. T. G. Mathers had a luncheon for them. Mrs. C. S. Riley was hostess at a small bridge luncheon at the Motor Country Club, and there were one or two other informal parties.

Miss Patsy Laird, daughter of Mr. and Mrs. Douglas Laird, is having a busy time these days. She is to be a bride of August 14 and this week Mrs. Clarence Smith and Mrs. Ernest Moncrieff combined hospitalities and had a kitchen shower for the bride-elect. Miss Hester Russell, Mrs. Cathlene Anderson and Miss Eleanor Echlin were luncheon hostesses, and a number of her girl friends planned a dinner one evening in her honor. Mr. and Mrs. James E. Esson and their daughter, Miss Margaret Esson, are arriving to attend the wedding of their son, Mr. James E. Esson Jr., to Miss Laird, and while here will be guests at the Fort Garry Hotel.

Mr. and Mrs. Douglas Laird and Miss Eva Powley have just completed a joint shooting lodge at St. Marks, Lake Manitoba, and spent the past week-end there. Their guests included Mr. and Mrs. C. C. Balfour, Mrs. George Northwood, Miss Marjorie Hazelwood, and the Misses Betty and Kathleen Laird.

Mr. and Mrs. Lawrence Bonnycastle and Master John, who have been the guests of Judge and Mrs. Bonnycastle at Dauphin, have returned to London, Ont.

Miss Marjorie Glasco, who has spent the past two years in London, England, sailed this week for home and will spend some time here with her parents, Mr. and Mrs. J. G. Glasco. Mrs. Thomas Moore, of Denver, is also planning a visit while her sister is here.

Miss Daphne Allen, of Calgary, has been spending a few days at the Lake of the Woods with Miss Janet Carruthers, and after a few days in town is going down again to be the guest of an aunt, Mrs. George Saunders.

Mr. and Mrs. R. D. Mulholland are arriving next week from Montreal and will be the guests of the latter's parents, Mr. and Mrs. Harold Aikins, at Minaki.

Mrs. C. V. Alloway, who has spent the past two weeks at the Lake of the Woods the guest of Mr. and Mrs. E. W. Kneeland, returned to town this week. Mrs. Guy Poussette, who was Mrs. C. G. Carruthers' guest for the past two weeks, has also returned to town.

Mrs. J. Calder Waugh, of Victoria, spent a few days in town en route to visit her daughter, Mrs. Christopher Vokes, in Kingston, and Mrs. Sanford Evans entertained at dinner in Mrs. Waugh's honor.

Mrs. Tullis Carter and her small son, William Swaisland, who have been visiting Mrs. Carter's parents, Mr. and Mrs. George Swaisland, in Vancouver, have arrived in town and are the guests of Mr. Carter's parents, Mr. and Mrs. W. H. Carter. Mr. Tullis Carter will join his family here. Mrs. Carter entertained at luncheon at the Country Club complimentary to her daughter-in-law and Miss Jessamine Godfrey, an August bride-elect.

Mr. and Mrs. Walter Little spent the past week-end with Mr. and Mrs. Douglas Clark at the Lake of the Woods. Mr. and Mrs. Clark returned later in the

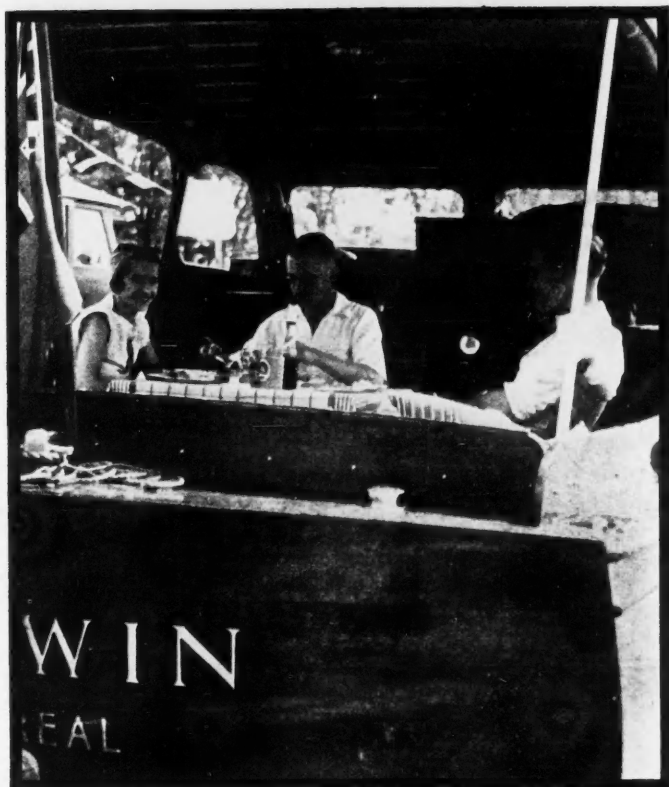


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LUNCH AFLOAT. Mr. and Mrs. Colin Rankin and Mr. J. P. McIntosh, of Montreal, aboard Mr. Rankin's cruiser "Naowin" of the Pointe Claire Yacht Club, during the recent Seigniory Club regatta.

—Photo by "Dora" of Montreal.

VICTORIA

DIAMOND Jubilee celebrations, civic whoopee, military and naval grandeur, tattoos a la Aldershot are very much the order of these August days, not to mention nights at Victoria, B.C.

Under the stars on the still, warm nights of August 2 and 3 Navy and Army combined forces to the tune of two thousand officers and other ranks to stage the largest and most spectacular peace time naval and military display ever held there with, on August 2, Lady Tweedsmuir, wife of the Governor-General of Canada, the Honorable Eric Hamber, Lieutenant-Governor of British Columbia and Mrs. Hamber, their various and combined suites in ceremonious attendance.

Miss Geraldine Taylor is sailing the end of the month to spend the next year or so in England.

Mrs. C. R. Gilmore and her daughter, Miss Peggy, have returned from Jasper where they have spent the past few weeks.

(Continued on Next Page)



QUEEN ELIZABETH'S NEPHEW heads touring Overseas League party of over two hundred members. The Honorable J. A. Elphinstone of Carberry Tower, Musselburgh, photographed with Captain Baillie, aboard the Donaldson Liner "Leitia" on arrival at Quebec recently.

GOOD MORNING!



A FRESH START WITH A FRESH CRISP CEREAL

QUAKER PUFFED RICE

If the package isn't triple-sealed it isn't Quaker Puffed Rice.



—Ports of Call

IN THE GARDEN OF EUROPE

BY RALPH PARKER

WE CAME into Czechoslovakia by the back-door, by a train which worked bravely to break the back of the Carpathians. Up there in the heights around Jasna you feel that you are in a younger continent than Europe. Man has but scratched the back of that great massif, which, starting abruptly at the edge of the Danube, close to Bratislava, curves in a mighty sweep like the tail of a whale up north through Slovakia (here still gentle and hospitable), then in sudden bravado rises to sensational heights and spectacular shapes in the Tatra, broadens as it forms the natural frontier between Poland and Sub-Carpathian Ruthenia, and finally turns south again into Roumania, where it breaks up into an inviting tangle of mountain and valley, Transylvania.

If you stop in Ruthenia you will find a life entirely conditioned by these mountains. At the foot, where the streams which had been cataracts now are transmuted from their mulberry-hued galeity into the slow and sluggish rivers that irrigate the Hungarian plains, the trading centres lie: towns like Munkacs and Uzhorod, for all the world like the

1918 has meant a steady demand for Ruthenia's fine timber. A considerable tourist trade from the West has developed.

In some ways it is Bohemia's Scotland. The primeval forests are celebrated for their great number of stags, roe-deer, and wild boar. Here also are found the rarer carnivora of Central Europe: the bear, the lynx, the wolf, and the wildcat. Hunting here is a thrilling affair. From the towns you take a cart or a horse and travel along forest tracks, living in huntsmen's and woodmen's cottages. The bear can best be hunted in autumn, by stalking or lying in wait near to its usual haunts. Wolves are best shot during the rutting season of stags or by waiting near live sheep on the mountain pasture. Among the local hunters we found a craft and knowledge that surely cannot be exceeded elsewhere in Europe. Costume and peasant life are exceedingly picturesque in these forest lands, much of which is still divided almost on a tribal basis.

Slovakia, further west, was a very different matter. It is significant that across the border from Ruthenia into Slovakia, the peasant women

in the spas, though there is little of the stuffy atmosphere of watering places about those magnificent hotels that stand proudly perched on the Tatra slopes.

It is the people of Slovakia, though, that enchanted us. Since the foundation of the Republic there has been such a lightening of the spirit, such a welling-up of ambition and talent, that the very expression of the people has changed. Instead of being a neglected province of Hungary, when every concession to national pride (and they were few enough) was made in a spirit of patronage, Slovakia has become the breeding ground of the Czechoslovakian future. This is evident in the proud gestures of the cat-footed Slovak men and the darting activity of the women. It is rare in Europe today to find such a spirit, and it is difficult to describe the exact qualities of this spirit, but none who travel in Slovakia today can avoid noticing it. So that anyone at all sensitive to the gloom that hangs about the lives of so many European peoples today, cannot fail to derive an extraordinary tonic from the atmosphere of Slovak life. Frontiers mean more than a change of language, food, currency—they often mark the limits of mass psychoses.

IT IS such a change of mood that we remarked when we first came into Prague. Surfeited by the nostalgic sweetness of Budapest, rendered nervous by the sinister shadow that lies across all of Vienna's gaiety, we found Prague astonishingly normal. Our nature revelled in the lack of hysteria, the optimistic realism, and that very rare quality, the willingness to self-criticism that we found in Prague. Yet Prague and its folk are imbued with a very particular national character. Every style of architecture (and there are most there) that has been used to build this entrancing city has been given a peculiar and characteristic twist. The opinions you hear expressed and the habits that have been adopted have all this particular Czech flavor, a dryness as acute as the tang of hops.

It is as easy to travel about the western parts of Czechoslovakia as it is to tour in France. Yet there are surprises. The Czechs have a way of doing odd and original things. Where else would you quite by chance find yourself in the midst of a festival to celebrate the centenary of the Polka, or spend a day with the diplomatic representatives of most of the countries in the world, watching the dredging of a lake full of the most monstrous carp, and passing the time during this delicate operation in drinking, playing, and eating smoked salmon? Such celebrations are marked with the most astounding and infectious bonhomie, and have a free gargantuan quality that astonished us. Time stretches on, unmarked by any petty routine. One sits up in the taverns of Prague amazed at one's own capacity for conversation and beer. Everything goes with gusto.

MANY writers have tried to catch the spirit of Prague, but the fact is that Prague has no one definable quality which can be called typical, so often will the writer find it contradicted. There are more undercurrents there than in any European city we know. Perhaps it is Czech history which has caused this, for under Austrian domination, the true expression of the national character could only be made underground, subversively. That accounts for the glancing, oblique nature of Czech wit, the caustic attacking character of Czech opinion. And it has, too, left its mark in Prague, this long tale of violent history. The armies of all Europe have fought in its streets—but, again, the architects of all Europe have helped to build them anew. Parts of the little town are Rome of the seventeenth and eighteenth centuries; much of the Old Town is French Gothic. Since the foundation of the State, Prague has doubled, and it is fortunate that there were architects worthy of the immense amount of rebuilding that there was to be done.

Prague is excellently well-placed for the convenience of the traveler who prefers to live in the cities and



WENCESLAS SQUARE, the main thoroughfare of Prague. "Good King Wenceslas", first Christian Prince of Bohemia, lived in Prague, and today medieval and modern meet there.

—Photo courtesy Czechoslovak Travel Information Bureau, Toronto.

make his excursion into the country daily. Bohemia is a compact, lozenge-shaped province, surrounded by mountains, a land of narrow valleys and considerable hills, of walled cities and historical castles. It is well wooded and intensively cultivated, with a pleasant climate. The Czechs possess many of the traditional Slav characteristics—an active, positive and friendly attitude towards the countryside, a passionate love of peace, an innate aptitude for dancing and music making. Of their ancestors, the Old Slavs, it is recorded that "they never strove for the dominance of the world, never had any warlike dynasties, were content to cultivate the land and, therefore, have been deeply wronged." Perhaps there is some connection between a love of peace and artistic sensibility. Certainly the record of Bohemia seems to suggest it.

THERE are many curious customs surviving in these Central European villages, most of them connected with the seasonal festivities or with such events as funerals and weddings. We heard much about the Bohemian weddings in the old style, in which there are many of precautions taken to scare away evil spirits. Thus, when the groom or his friends come to the bride's house to conduct her to the church, they may find not her but a bearded man dressed as a woman. Meanwhile, during this attempt to cheat the devil, the bride will be weeping, for unless she has what is known as a good cry she is thought to be immodest, and the more she cries the more she gains the admiration of her friends.

The wedding cavalcade, before reaching the church is interrupted on its way by a chain of flowers stretched across the road. As this is broken the bridegroom has to pay a small ransom. At the church door the bridegroom leaps down, and in his arms carries the bride across the threshold, for between the time that the bride leaves her own house and the time she arrives within her husband's her feet must not touch the bare earth, and if she is not carried, then carpets are placed wherever she treads, and particularly across the threshold of the new home. As the bride and bridegroom enter the house, they are pelted, not with confetti, but with almonds, hops, peeled barley and peas. The number of grains that remain in the bride's lap indicates the number of children she will bear.

SOCIAL WORLD

(Continued from Page 14)

A major feature of the tattoo program was a magnificent dance of sailors' hornpipe, by the sailors of H.M.S. Exeter, their white uniforms gleaming beneath soft glares as they footed the traditional measures. The band of the famous Princess Patricia's Light Infantry from Winnipeg; bagpipes skirling, tartans swaying, colorful, picturesque the Sixteenth Canadian Scottish; the crackle of *feu de joie* from the rifles of the Royal Marines, an historical pageant by the 5th B.C. Coast Brigade depicting five periods of the brigade from 1862 to the present day, and other episodes and drills, all played their parts in the Tattoo.

Wednesday, August 4, featured a grand daylight parade of nearly a hundred decorated floats.

Canadians registered at the Empress Hotel during the jubilee from east of the Rockies were Mrs. C. D. Dean, Miss M. Dean, of Toronto; Miss L. Cassidy, of Winnipeg; Mr. Thomas Oakley and his son from Toronto; Miss E. Marion Cato from Edmonton; Mr. and Mrs. S. J. Sackett, of Regina; W. H. B. Sharpe, of Regina; Mrs. Frank Webster and Miss Webster, of Calgary; Mr. and Mrs. W. W. Taylor, of Calgary; Miss C. Miller, of Calgary; Mr. and Mrs. G. A. Holmes and child from London, Ont.; Dr. R. Boyer, of Montreal; D. E. Robertson, of Toronto; Miss A. M. Magee, of Edmonton; Miss J. P. Frank, of Edmonton.

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It's high time to consider the condition of your complexion—to counteract undue exposure to sun and wind by a little

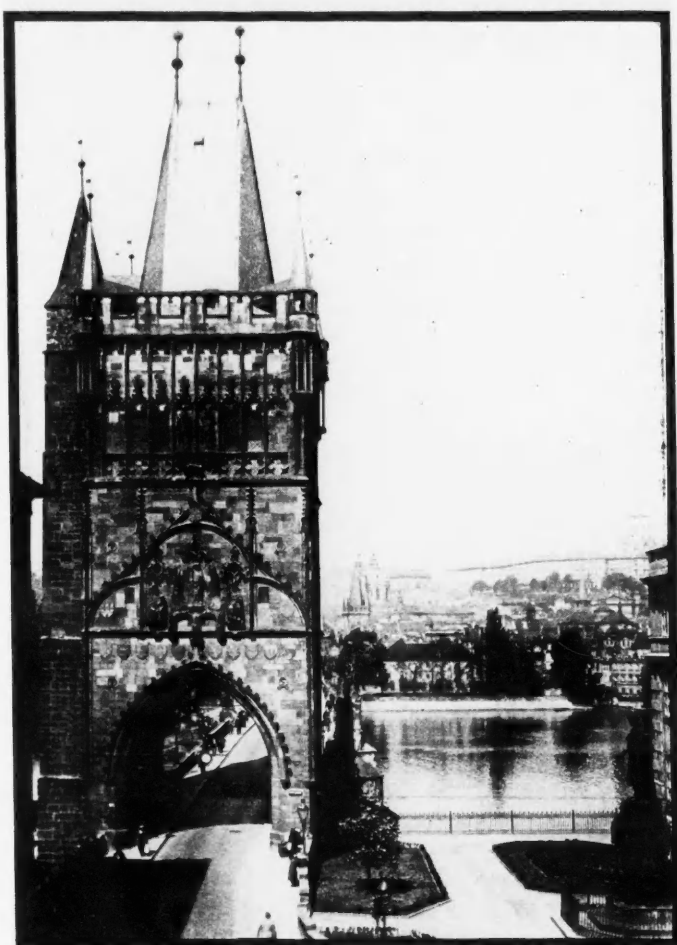
attention. A few appointments for facial treatments at the Hiscott Institute right now will leave your skin in condition to face the Fall social season with equanimity. And Hiscott Electrolysis will check the growth of those unwanted hairs that sprout so rapidly under summer suns. By the way, the Hiscott is featuring a new booklet on the care of the skin and hair. Be sure to write for it.

Write for Booklet X

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THE GATE TOWER to the famous Charles IV Bridge in Prague, dating from the 14th Century. In the distance towers the old Royal Castle of the Bohemian Kings, now the residence of President Benes.

—Photo courtesy Czechoslovak Travel Information Bureau, Toronto.

towns of Wild West films, into which the mountain people ride for their supplies, and, on holidays, flock for festivity. Here the hotels are good and the roads well metalled. The natural formlessness of the scattered houses has been pulled into order by post-war buildings, like accurate punctuation marks in long and shapeless sentences.

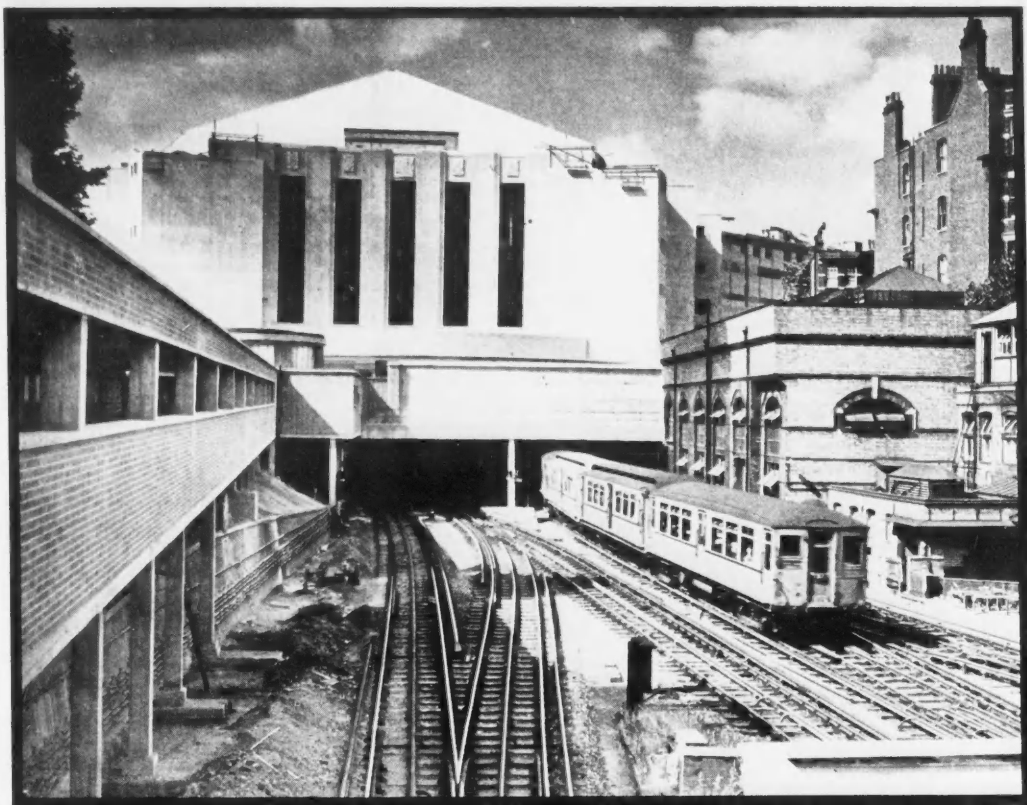
THERE is a vigor about Ruthenia which we found most stimulating after the dreariness of the Ukraine. The peasants are the men who, before the war, migrated to Canada and the States and performed superhuman feats of strength in railway building and lumber work. Now they remain, for Ruthenia under the Republic's administration is a land of opportunity. The great building activity, new schools, new suburbs, new roads and railways, that has prevailed throughout the Republic since

embroider and paint flowers, whereas in Ruthenia it is with the cold abstract patterns of geometry that they work. Slovakia is gentle, lyrical and pastoral. The uplands are vibrant with the welcoming sound of sheepbells; the villages with the throb of violins. The houses are white and compact, and compromise neatly and gracefully with nature, which here offers gentle hill slopes and abundant valleys. Southern Slovakia abounds with small game, hare and partridge, but in the north, in the Tatras, the more ambitious huntsman will find chamois and marmot, fallow deer and mouflon.

Travel is less arduous in Slovakia than in Ruthenia—what the traveler loses in adventure he gains in convenience, for Slovakia has a long tourist tradition. It was in the hotels of the Tatra that you came to relax after the ardors of the Viennese season. Most ills can be put right



IN THE FOOTHILLS OF THE CARPATHIANS in Slovakia. In Czechoslovakia there are four main provinces; from west to east, Bohemia, Moravia, Slovakia and Ruthenia. As a whole the country is a new recreation ground of real value and all in an atmosphere of democratic liberty, governed by civic discipline. —Photo courtesy Czechoslovak Travel Information Bureau, Toronto.



LONDON'S NEW EXHIBITION CENTRE. The new Earl's Court, a gigantic undertaking, is now practically finished. Already a number of famous exhibitions, including the Motor Show, have been booked for this new exhibition centre. Above, a view of the new Earl's Court as seen from the passenger foot-bridge on the west side of Earl's Court station.

—London Letter

BY P. O. D.

MR. HERBERT LAUGHS LAST

July 26th, 1937.

HUMORISTS the world over have considerable reason to rejoice in A. P. Herbert's success in having his Divorce Bill finally made law. Not that it will enable the humorists of this country to dash right out and get rid of their wives, desirable as that might be—for their wives. But Mr. Herbert's success does show what a funny man can accomplish when his blood is really up. The business of joke-making gains a new dignity from such an achievement. It may even gain a few new jokes.

We are at a discount in the British Parliament. No humorist, we are assured, has ever done any good there. He may make the House laugh, but it is your dull dog that gets things done. Well, here is a funny fellow, an extremely funny fellow, who has piloted an important and highly controversial Bill through Parliament against a well-organized and powerful opposition. And he did it primarily on his own bat, for it was a Private Member's Bill. All the Government did for it was to furnish facilities for its discussion, and not too willingly, at that.

For many years there has been a general recognition of the anachronistic absurdity of British divorce laws. Royal commissions reported on the subject, eminent judges declared from the Bench about it. But nobody seemed willing to undertake the task. Governments preferred to be content of sleeping the law.

Now Mr. Herbert has done it. And he has done it because he is, like a good many other eminent humorists, a profoundly earnest man, with an almost morose sense of social injustice. He kept saying away when, over and over again, the whole thing seemed hopeless. He was patient, he was persistent, he was even dull as a final concession to British parliamentary tradition. It is a great triumph, for which he fully deserves all the congratulations that are being showered on him. Even his opponents cheered him.

By the way, he himself lets no doubt be of his divorce. Neither has his wife. They are a singularly devoted couple, with a delightful family. I mention this and in case, oh well, you know there are always people to think of things like that. Especially about such subjects as home and divorce.

WHILE on this subject of the most things people, sometimes permit themselves to say, a quite surprising amount of indignation has been aroused by the remarks of Ralph Guldahl, the American golf champion, about the sportsmanship of British crowds on the lack of sportsmanship, as Mr. Guldahl sees it.

That is the one objection which makes an Englishman really furious. Call him a crook, and he will laugh. Tell him he beats his wife, and he will probably confess that he has often thought of it. The intimate that he is a bad sport, and he will want to kill you. It is the national parano.

At the same time, I find there really is something to be said in extenuation of Guldahl's somewhat comments. British golf crowds are not inspiring. They are, I believe, the laziest and friendliest in the world. But they are not by any means the best behaved. They are much too hot, much too eager, and, as a rule, very inadequately controlled.

They wander all over the course, in spite of the stewards and their little red flags. They hem the players in so closely that they have hardly room to swing their clubs, and the shot is hardly played before there is a wild general scamper off to the next point of vantage.

And this is particularly true of Scotland, where the crowds are the biggest, the most enthusiastic, and the most unruly of all. Did they not jostle and push poor Macdonald Smith out of a championship, which he had in his pocket, simply because they were so frantically eager to see him win? "Mac" came from Carnoustie.

What's to be done about it? Nothing, I suppose, except to be patient and good-natured. Our own fellows have to put up with it, so why not our visitors? As a matter of fact, most of them do, quite cheerfully. But it is probably a pretty tough experience the first time. So let us take a kindly view of Mr. Guldahl's little outburst. After all, the poor boy didn't play very well. And he had his wife with him, to tell him how badly he was being treated. There is nothing like a woman's tender sympathy to turn a minor vexation into a calamity. They can make you terribly sorry for yourself.

CENTENNIAL celebrations of one sort and another are a commonplace—especially in this land of many centuries. But it isn't often that you hear of the centenary of a railway station. And yet that is exactly what Euston Station was celebrating here in London last week.

It is just a hundred years ago that the first train steamed into what was then a "two-platform shed." It had come all the way from Boxmoor, twenty-four miles, he said, sir. And just to show that speed was speed, even in those days, it crashed bang into the end of the platform. But perhaps this merely means that brakes were the sort of brakes they were. Anyway, it was a great and historic occasion.

The reason the train came only from Boxmoor was because this was all there was. There wasn't any more. It was the first section of the London and Birmingham Railway. The rest of the line was completed a year or so later. Now it forms part of the great London, Midland and Scottish system, of which Euston Station is the headquarters.

Just to show how things do grow, if they are the growing kind. Euston Station in those early days handled six trains a day, with an average of about 200 passengers. Oh, for the whole day! Now there are fifteen platforms, 350 trains a day, and not far from a million passengers.

Even that it seems, it not enough. Extension and improvement schemes are under consideration, which are expected to cost over £4,000,000. Quite right, too! After all, there is one good reason why a centenary railway station should look its full age.

A FORTUNE of interesting and admirable schemes, whose self-imposed duty is to protect the beauties of the English countryside, held their annual meetings in London last week. One of them is the Scapa Society, and the other the National Trust.

The Scapa Society has nothing whatever to do with Scapa Flow or the sea or the War. And "Scapa" is

merely a sort of handy nickname. Seeing that its full official title is the Society for Checking the Abuses of Public Advertising, it will be understood that something much shorter and snappier was certainly needed. So "Scapa" it is, and nobody ever thinks or speaks of it by any other name, except, of course, in official documents.

You mightn't think that advertising had become a menace to the beauty of the countryside so far back as 1893. But that is the year in which Scapa was founded. It has done admirable work. There still are a certain number of disfiguring signboards and posters, but they grow fewer and more nearly innocuous all the time.

Scapa has a way of getting after the various county councils, calling their attention to objectionable advertising, and insisting that the offending owners should be prosecuted. It seems to work very well. Scapa has some very influential supporters. Its chairman, incidentally, is Lord Harewood—you know, the husband of the Princess Royal, as they now call Princess Mary. County councils usually prove quite amenable.

The other society, the National Trust, is much better known. It also has a much longer official title, the National Trust for Places of Historic Interest and Natural Beauty. It was founded in 1896, a time when people seemed to have a liking for lengthy and rather pompous designations. But, whatever may be thought of its name, there can be no doubt at all about the magnificent work it does. It gets possession, either purchase or gift, of beautiful places and historic buildings, and it keeps them in trust forever for the benefit and joy of the nation.

There could be no social task much nobler than this. And it is being admirably and most successfully fulfilled. We all have much reason to be grateful to the Vicar of Wray, in Windermere, who founded it, and to the many people who have in one way and another contributed to its success. And posterity is going to have a lot more reason for gratitude.

TRAVELERS

Mr. and Mrs. Norman C. Equihart, and their children, of Toronto, have sailed from New York on the Bremen for a holiday abroad.

Mrs. Hume Gibson and her sister, Miss Marion Lintels, of Toronto, have been spending a week at Lake Placid, N.Y.

Dr. and Mrs. C. Stuart McEwen and their niece, Miss Mhairi McLeod Fenton, of Montreal, have left for Churchill, where they joined the Nas-eupia on a two-months' cruise up to the Arctic Circle.



TWO CHARMING ARRIVALS on the Empress of Britain at Quebec recently were Miss Jean Macpherson, of Winnipeg, and Miss Irene Irwin, of Montreal.



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TORONTO, CANADA, AUGUST 14, 1937

P. M. Richards,
Financial Editor

ALBERTA VERSUS THE COUNTRY

Legislation is Challenge to Creditors, Banks, Courts and Dominion Authority—Four Possible Lines of Action

BY W. A. MCKAGUE

HEADS I win, tails you lose, is the policy which the Aberhart government of Alberta is attempting to foist upon the rest of Canada, when it seeks to impose upon the banks and other financial institutions and upon private investors the onus of financing a social credit system. It illustrates the principle of deception and cupidity which has featured the administration since it was elected in 1935. Behind the pious mask of social credit, the Aberhart government is spreading communistic doctrine and practising destruction of all existing institutions.

That the pledges of the Aberhart administration are not worth the paper they were written on was clearly illustrated when after assuring investors that there would be no repudiation, it turned right around and cut its interest payments in half, and passed legislation to facilitate the cancellation of municipal and private debts. For this reason the statement made in Mr. Aberhart's letter of July 21, to bankers of the province, is valueless. He said: "The government will assume full responsibility for ensuring that neither your bank nor its depositors shall suffer any direct monetary loss as the result of the government adopting the measures which will be necessary to make finance within this province record in figures that which takes place in fact." Likewise the following statement made on July 20, when he sent out a request that holders of the bonds of the province put their names on record, has to be taken with a double grain of salt: "The government is anxious to give every assistance in any enquiry directed towards the fulfilment of its contractual obligations. . . . The idea is to pay the public debt in full. . . . The first step is to find out the names of those who hold Alberta bonds so that proposed arrangements can be made to meet those obligations." This was backed up by the thinly-veiled threat that "The Government cannot be responsible for any preventable hardships on individual stock or bond holders in Alberta securities which, contrary to intention, may subsequently ensue as a result of their failure to furnish the information required."

From the past record and declaration of the government, it is obvious that the Aberhart idea of "direct monetary loss" to the banks and their depositors would be entirely its own, and that its version of full payment of debt would not be recognized as satisfactory by the creditors. The social

credit scraps of paper which Mr. Aberhart tried to foist upon his own people bounced right back for redemption, for even the most enthusiastic social creditors would not hold them. It is something like this that he thinks of passing out to the bank depositors and to the holders of provincial bonds, on such a scale as would make redemption impossible.

That policy of repudiation, or of paying off debts in a worthless medium, is the only one that the Alberta government has been able to evolve out of its fancy doctrines about social credit.

WHAT kind of logic can be back of such obviously worthless assurances? Surely Mr. Aberhart does not regard the citizens of Canada as simpletons to be so readily deceived. The only possible explanation is that the flood of emanations from Edmonton is political propaganda designed to stir up hostility against the whole financial structure of the country, on which the people depend for their savings and security. Like all other radicals or reds, the Aberhart group evidently believes that the first step in revolution is destruction.

Mr. Aberhart continues to philosophize to the multitude on money and credit, while totally failing to give them the loaves and fishes that they demand. It is only a question of time until they will tire of this verbal diet. Meanwhile he attempts to prolong the life of his political group by striving to show that, since the people voted for social credit, it is the duty of the banks to provide them with it. That is just another right-about-face from his early promises, which were to establish the scheme as something additional to what already existed, and without interference with the latter. Having failed to produce the rabbit from his own hat, he claims that the banker had it all the time!

His letter of July 21 to bankers, copies of which were issued to social creditors with notes attached for their edification, illustrates the Aberhart love of talking in riddles. He likes the role of magician, but his only working knowledge of the craft is that of the fakir. "Practically everything," he says, "is regulated by money, yet those who govern money are moved by considerations almost entirely alien to the needs and wants of the people of this province." Again, "a democratic government must see that all

(Continued on Page 19)



A GOOD TRICK IF IT WORKED

FOREIGN BONDS

Recovery Prospects of Issues Held by Canadian Investors

BY PAUL CARLISS

AFTER five years of world-wide economic recovery it should now be possible to appraise the intrinsic value of the more than 500 issues of foreign government and municipal bonds floated in the United States and Canada during the prosperous pre-depression days—when New York bankers made the United States the "butter and egg" nation for Europe and South America. Of the \$7 billion of loans purchased by banks, insurance companies and individual investors on this continent, approximately \$2.8 billion or 40 per cent are still in default.

Much to the disappointment of many impatient Canadian investors little progress has been made recently toward the resumption of full interest payments by these defaulting countries. In fact during the past year a fresh default occurred when Poland announced that interest coupons payable in dollars would be paid only at the rate of 35 per cent of their face value. Nevertheless the improvement in trade conditions in most other countries has been reflected in an advance in the price of their dollar obligations as may be seen from the following comparison of prevailing market quotations with prices on July 1, 1932, when the approximate lows were reached:

AVERAGE MARKET PRICE		
Name of Group	July 1, 1932	July 1, 1937
South American Republic Loans	\$20.86	\$55.04
South American State and Municipal Loans	15.30	46.09
European National Loans	74.27	72.18
European State and Municipal Loans	47.15	55.24
Asiatic Government Loans	66.25	93.58

No doubt many Canadian investors have been forced to sacrifice their holdings of foreign issues which have failed to continue interest payments, while others have probably become impatient with the meagre recovery which has been shown by many of these bonds. Nevertheless it is probably safe to say that few safety-deposit boxes filled with bond certificates purchased during the past decade, do not contain one or more examples of a misplaced confidence

(Continued on Page 24)

BUSINESS AND MARKET FORECAST

BY HARUSPEX

THE PRIMARY OR LONG TERM TREND OF STOCK PRICES AND BUSINESS has been upward since the summer of 1932. There have been no recent developments indicating a reversal of this movement.

THE INTERMEDIATE OR SHORT TERM TREND OF STOCK PRICES AND BUSINESS turned downward on March 10 and reached a low point in June. The market, after forming a strong base from late April into June, is now engaged in a technical or corrective rally, following which will come the test as to whether the intermediate trend has reversed to an upward direction.

THE PRICE MOVEMENT. Both the extent of the past month's advance, and the fact that two of the three Dow-Jones averages—the Industrials and the Utilities—have effected full technical cancellations of their preceding decline from the first quarter into June, would suggest that the market has entered a zone vulnerable to recession of one or more weeks' duration. If such "shake-out" has not already commenced, but instead the market develops a fresh burst of strength, then the width of the set-back will be somewhat increased when it does develop.

Aside from the probability during the current month of an interruption of the advance, is the overshadowing technical consideration that the month of August normally closes with the stock market at a higher level than prevails when the month opens. This has been true over most of the past forty years, and can be attributed to such seasonal considerations as anticipation of the fall trade pick-up, along with the optimism always engendered during August when (Continued on page 22)



THE opinion previously expressed in this column that business and the stock market are going to be good this fall—reaching levels perhaps well above those of the present time—is now being supported by decidedly favorable news and views from many sources. The prairie situation, it turns out, is not as bad as had been feared; rains came in time to effect a fairly substantial improvement in crop yields. It is evident, too, that despite a poor grain crop, aggregate farm income on the prairies will probably be considerably higher than last year as a result, mainly, of higher wheat prices. Saskatchewan is the only province that will show a recession, and its decline will be more than offset by neighboring gains. As regards Eastern Canada, the farm situation is uniformly good, and data compiled by *The Farmer Magazine*, this country's leading farm journal, show that the purchasing power of eastern farmers will be higher this fall than for a number of years.

THIS means important stimulus to business from this source alone, and there are many other bullish factors in the general outlook. The Canadian Bank of Commerce reports "continued and even greater activity in lumbering, pulp and paper, iron and steel and the heavy industries generally, foundries and non-ferrous metal plants showing a rise of 20 per cent, in operations over July, 1936." These are the industries where much unemployment occurred in recent years, and their improved position and outlook now hold much promise for the future. The bank just quoted says that mining continues on a much higher level of production than a year ago, especially in the case of copper, nickel, gold and asbestos, the increases for the first five months of the current year over those of 1936 being 15, 32, 12 and 68 per cent, respectively. Also, total tourist expenditure in Canada should be close to, if it does not exceed, the 1929 high of \$300,000,000.

OF COURSE, the labor situation is still threatening and several serious strikes, besides many smaller ones, are actually in progress in this country at the present time. But the C.I.O., while still very active, has lost some of its aggressiveness and a number of its battles, and is by no means as terrifying to employers as it was two or three months ago. Its Canadian campaign has increased its membership but the latter is still far short of the original objective. The rising level of industrial activity, the widespread increases in wage scales being effected, and the decided uptrend in employment are likely to make for a quieter situation on the labor front as the months pass. However, business men are worrying about the trend of wage scales in relation to the costs of production. If the present wage trend continues, profits are going to be reduced or prices are going up. How much price increase can public purchasing power stand? How soon will the "law of diminishing returns" operate in this case?

BUSINESS men in the States are as worried as those here about the trend of wages and costs, and with more reason, for over there they have the Black-Connery Bill providing for the regulation of working hours and wage scales by a board appointed by government. The Whaley-Eaton Service, of Washington, says that "The wage-hour bill is sure to raise costs of production, especially in the primary industries. The vicious circle whereby increases in money wages are absorbed by higher living costs, bringing real wages back to where they were, shows on all sides. A situation may be reached where it will not be a question of a buyers' strike, but rather of a mass incapacity to purchase—and the answer to that would be a political demand for more 'easy money.' Inflationary tendencies will bear close watching."

SO, IN spite of all the indications of business and stock market improvement this fall, the fact remains that there is still reason for worry regarding the longer-term outlook. If the increases in wages are not balanced by a corresponding increase in production, the resulting rise in prices of goods and services will be definitely of the inflationary type. That means a sort of vicious circle in which the higher cost of living soon brings demands for further wage increases, the granting of which leads to further rises in living costs, and so on until something cracks. The trouble with this—or rather, one trouble—is that as industrial workers constitute only a minor portion of the population, most people do not get the wage increases but nevertheless have to meet the higher cost of living.

FOR some time past there has been a tendency to pooh-pooh the inflation scare, on the ground that the powers and facilities for the control of credit and currencies and price movements which governments now possess are such as to eliminate cause for fear of a runaway inflation. This column has always doubted this, and it doubts it still more when it observes that the public debts of this country and the U.S. are still rising rapidly despite the large increases in government revenues and in industrial activity, employment and wage disbursements.



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BERNARD K. SANDWELL, Editor
N. McHARRY, Advertising Manager

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Great Britain, British Dominions, Colonies and Protectorates, United States and United States Possessions \$5.00 per annum.
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Single Copies 10 cts.

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Printed and Published in Canada
CONSOLIDATED PRESS LIMITED
CORNER OF RICHMOND AND SHEPPARD STREETS, TORONTO 2, CANADA

MONTREAL: New Boks Bldg.
WINNIPEG: 405 Boks Bldg., Portage Ave.
NEW YORK: Room 512, 101 Park Ave.

E. R. Milling - Business Manager
C. T. Croucher - Assistant Business Manager
J. E. Foy - Circulation Manager

Vol. 52, No. 41 Whole No. 2517

IN MANITOBA

A HUNDRED years ago the call of the West sounded from the virgin prairie. Today it sounds from forest, lake and mine, from fields of grain and fertile lands. Agriculture now being firmly established in Western Canada, the country has definitely entered an era of industrial expansion. So says the foreword to a booklet issued by the Industrial Development Board of Manitoba, Winnipeg, under the title "Business Opportunities in Manitoba." The Province presents many opportunities in the industrial and commercial field, the foreword continues. Winnipeg, the chief manufacturing centre of Manitoba, is well advanced on an industrial career which promises to be extensive and permanent. In support of the statement that the Province is blessed with abundant and accessible natural resources which will form the basis for industrial undertakings of a substantial character, the booklet draws attention to the fact that the great pre-Cambrian mineral shield that extends across Northern Ontario also covers about three-fifths of Manitoba. The development of the Province's minerals has only just begun.

Situated right at the door of the world's finest fur region, Winnipeg should be one of the leading fur manufacturing centres on the American continent and fur breeding is opening up a new opportunity here also, states the Industrial Development Board. Also, Manitoba has one of the largest inland fisheries in the world with resultant opportunities for the manufacture of fish products such as meal and oil. For those seeking industrial opportunities in Manitoba, there is abundant additional data available in the files of the Board on many subjects referred to, while other sources of information are referred to such as the specialized departments of the Dominion and provincial governments, the railways and local organizations. There are brief summaries of some of the many organic materials available for industrial use in Manitoba.

GOLD & CROSS

It is recommended that answers to inquiries in this department be read in conjunction with the Business and Market Forecast appearing on the first page of this section.

BIG MISSOURI

Editor, Gold & Cross:

I would be glad of some information on Big Missouri Mines Corporation. How soon is work to start on the mill and how big will it be? How much commercial ore has been proved? Is development of the property making satisfactory progress?

—R. C. K., Montreal, Que.

The principal interest of Big Missouri Mines Corporation is a 40 per cent holding in Buena Vista Mining, with property in the Portland Canal district, of British Columbia, which is under development by Consolidated Mining and Smelting Co., of Canada. A mill which will likely have a daily capacity of between 700 and 800 tons is now being erected at this property. About the middle of July it was reported that 80 per cent of excavation for mill had been completed, machinery foundations were being poured and construction of pipe line and power plant was nearing completion.

Satisfactory progress in regard to tonnage and grade of ore was reported at the annual meeting. One million tons of "commercial" ore is reported developed in the deposit close to the mill. Development work recently has largely been preparation of this ore body for milling. Other ore bodies which have been proved by drifting, cross-cutting and drilling will be made ready for mining after the mill commences. Sections of ore of commercial value are stated to have been disclosed in work on the 2,700-foot horizon.

ABITIBI FIRST MORTGAGE BONDS

Editor, Gold & Cross:

I have \$1,500 in Abitibi first mortgage bonds and a friend of mine has a larger amount in the 6 per cent preferred. He has been arguing with me about the plan of reorganization and I would appreciate your opinion.

—H. S. T., Hamilton, Ont.

As you must know, there are several plans for reorganization of Abitibi Power and Paper Company. The situation at the moment is that an order of the Ontario Supreme Court has fixed October 15 for a meeting of bondholders to consider the plan of reorganization submitted to bondholders by the Bondholders' Representative Committee. If this plan is approved by a majority of the bondholders the procedure under the Ontario Judicature Act would be for the bondholders to seek the sanction of the courts to a reorganization on that basis.

There is the possibility, of course, that those who oppose this plan (presumably some preferred shareholders) can delay the reorganization through litigation involving the constitutional applicability of the Ontario Judicature Act or, as has also been suggested, a contention that the mortgage is not valid. As to whether there are legal grounds for such action I am not in position to say. If there is action of this kind, probably the best legal minds available will argue it before the courts.

After studying the plan of reorganization submitted by the committee elected by the bondholders—which is the only one which legally can come before the meeting on October 15—I am inclined to think it is as reasonable as could be devised having regard to all the conditions, and it appeals to me as an ingenious method of meeting the situation from the point of view of the several interests involved.

Since it is obviously impossible that the bondholders' claims can be paid off in cash, and therefore must be satisfied with new securities, one of the first considerations is that the reorganized company be sufficiently strong financially to avoid similar trouble in the future. No company can depend on a rising market for its products for more than a few years at most. The second consideration should be that the burden of new securities should not be out of proportion to prospective earnings. A third in this instance is that the bondholders, who have been without any income for five years, should now begin to receive an income and should have a security which, so far as can be determined in advance, will be marketable at something like the amount of the outstanding claims of bondholders.

The plan of reorganization provides financial strength by a proposed new first mortgage limited to \$14,000,000. This, it is stated, will give the company adequate working capital and provide money for modernization of plants which will both increase capacity and reduce production costs. You have \$1,500 of old bonds; the \$750 of general and refunding bonds which you will receive should, on the present outlook, be safe as to income, and with the conversion feature should sell at a good price if the newsprint industry continues to be prosperous. The \$1,050 of debentures which you would receive will bring you an income if the company earns it and after fifteen months also be convertible into stock. On the whole, the plan appeals to me as reasonable from the point of view of persons who, like you, lent the money on a first mortgage.

One might argue all day as to how many shares of stock in the new company should be given in exchange for old preferred shares. But from the old shareholders' point of view, a feature which might attract the rank and file is the giving of share purchase warrants which provide that, if warrants are exercised, the money going into the treasury of the company shall be used to redeem debentures by lot. Thus the shareholders have the privilege of paying off prior obligations and thus increasing their equity in the company. These warrants are transferable, so that they should have a market value if, as many predict, the company earns substantially larger sums, or gives indications of such earnings, prior to the expiry of the warrants at the end of fifteen months.

PORCUPINE TRIUMPH

Editor, Gold & Cross:

What is your opinion of Porcupine Triumph shares? Is an honest endeavor being made to make a mine of it? Do you consider it to be either a fair or a good prospect?

—W. H., Ottawa, Ont.

Yes, I am of the opinion that an honest effort is being made to make a mine out of the Porcupine Triumph Gold Mines property. As results to date have been somewhat erratic one is unable to hazard an opinion as to whether the work will define a commercial deposit or not. Interesting values were se-

cured in diamond drilling and a shaft was started to go to a depth of 200 feet to develop this section.

In a report dated May 11, H. B. Hatch, geologist, stated in part, "Both along the surface and in the shaft very erratic assay results have been returned. However, where samples have been cut across mineralized sections of the ore structure high values have been returned. The erratic distribution of the mineralization both in the quartz and the carbonated fault filling has made it practically impossible to determine values with any degree of accuracy from channel sampling. This type of work must be bulk sampled or mill tested. In the writer's opinion the results so far obtained warrant the belief that the ore structure will return commercial values over minable widths." Mr. Hatch stated that the ore zone at that time had been indicated by diamond drilling for a length of 600 feet and depth of 300 feet, with the west end still open.

A mining plant has been installed and plans called for drifting on the vein structure east and west from the 100-foot level with careful bulk sampling for ore grade determination.

CANADA BUD ATTRACTIVE

Editor, Gold & Cross:

I hear that the news about Canada Bud has been good recently and I am considering buying some of the stock. I have never owned any of this, nor for that matter the stock of any brewery, but I am interested in participating in the profits of any successful industry. I would appreciate it very much, therefore, if you could supply me with what facts and figures are currently available. How is this company standing up so far as competition is concerned, as I hear it is pretty stiff in the beer business. Do you think the stock is reasonably attractive?

—R. N. C., Bracebridge, Ont.

I do. While Canada Bud has been an "independent" in the brewery field it has been able to establish its products on a sound sales basis and has achieved an enviable degree of consumer acceptance. Thus while competition, as you say, is exceedingly keen, I anticipate no upset to the firmly established position which the company has reached and I think that earnings should continue to be maintained at very satisfactory levels. At current levels of 8½, the yield is just over 9 per cent on the basis of last year's dividend payment of 80 cents and the 40 cents disbursed on account of earnings for the first half of the current fiscal year. Despite the unusually high return I consider the stock attractive in moderate amounts for income and possible appreciation.

The company has just issued its figures covering the first six months of 1937 showing earnings per share of 41.6 cents as against 31.5 cents in the corresponding period of 1936, or a gain of approximately 19 per cent. It must be kept in mind, as well, that the beer business is largely seasonal and that the second half-year contains a larger proportion of the profitable months. For example the last half of 1936 saw earnings equivalent to 80.5 cents per share and if the current year witnesses a proportionate improvement, last year's total per share of \$1.12½ should be exceeded by a very satisfactory margin. In some quarters an increase in dividend has been predicted and this does not seem without the bounds of possibility, considering the company's sound financial position.

Naturally Canada Bud did not escape some lean years. The earnings record in recent periods has been: 1936, \$1.12½; 1935, 91 cents; 1934, 68 cents; 1933, 50 cents; 1932, \$1.06 and in 1931, \$1.57, all figures being based on the 150,000 shares of no par value capital stock outstanding. Dividend disbursement has also been somewhat irregular. In 1936, 80 cents was paid; in 1935, 50 cents; no distribution in 1934; 70 cents in 1933, and \$1 in the years 1930 to 1932. The most recent balance sheet figures available, those issued in connection with the 1937 half-yearly statement, show total current assets of \$599,072 against total current liabilities of \$260,006. Net working capital at \$339,066 shows a decline from the \$370,757 reported at the end of 1936 but fixed assets are up to \$1,627,760 as against \$1,589,697. Earned surplus shows an increase to \$332,394 from \$327,464.

Continued warm weather into the second half of the current year should aid in maintaining sales levels and the general picture for the company can be considered bright. Despite the advertising restrictions in Ontario and the extremely heavy burden of taxation imposed by various authorities, I would anticipate continuation of satisfactory business and profits for Canada Bud.

MACASSA

Editor, Gold & Cross:

Please let me know how Macassa Mines is getting on and all about output, grade of ore, earnings, dividends, etc. Thanks. I would like to say that I greatly appreciate the help given me in the past.

—G. L. B., Grande Prairie, Alta.

Macassa Mines' property has been attracting attention recently by reason of decidedly favorable property developments. The shares have been in greater demand and the mine for some months past has been establishing new production records. I understand that the past month witnessed a new all-time high both in tonnage milled and value of output, and this marked the fifth consecutive increase in output. For the month of July the output is

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- (1) Paid-in-advance mail subscribers only are entitled to the investment service described below on the following basis:
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 - (b) A stamped and addressed envelope should be enclosed.
 - (c) No inquiries will be answered by telephone or telegraph.
- (2) Subscribers are entitled to information or advice on one company or one security every month. For information or advice on each additional company or security please remit in advance 50c for each such additional inquiry.
- (3) Alternatively subscribers may obtain a list of bonds and stocks suitable for investment subject to the stipulation that the subscriber will make his own selection. Subscribers may also obtain a list of reliable firms furnishing investment information, counsel or advice. SATURDAY NIGHT will accept no responsibility either for the disposition of the subscriber's funds in securities it recommends or securities bought on the advice of any outside investment counsel.

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Dividend Notices

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Established 1817

DIVIDEND NO. 297

NOTICE is hereby given that a DIVIDEND OF TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after WEDNESDAY, the FIRST day of SEPTEMBER next, to Shareholders of record at close of business on 31st July, 1937.

By Order of the Board

JACKSON DODDS G. W. SPINNEY
General Manager General Manager
Montreal, 20th July, 1937

THE CANADIAN BANK OF COMMERCE

DIVIDEND NO. 202

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1937, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st September next, to shareholders of record at the close of business on the 31st July, 1937. The Transfer Books will not be closed.

By Order of the Board

A. E. ARSCOTT,
General Manager,
Toronto, 22nd July, 1937.

CANADA WIRE & CABLE COMPANY

DIVIDEND NOTICE

Notice is hereby given that an Interim Dividend of \$6.00 per share has been declared on account of arrears of dividends on the outstanding Preference Shares of this Company, payable September 7th, 1937, to Shareholders of record 29th August, 1937.

By Order of the Board

WILLIAM H. MARSH,
Secretary.

UNLISTED QUOTATIONS

(Furnished by A. J. Pattison, Jr. & Co. Limited, Toronto, August 9)

INDUSTRIAL	BID	ASKED
Acadia Sugar 6% Pfd.	4.25	4.35
Acme Farmers Dairy 7% Pfd.	45.00	50.00
Algoma Steel Corp. 5% Pfd.	84.00	
Andian Nat. Corp. (Div. 400)	31.75	32.75
B.C. Pulp & Paper Com.	39.75	31.50
Brandsma-Henderson Com.	5.75	6.50
Can. Tube & Steel Ltd. Pfd.	78.50	
Can. Wire & Cable 6 1/2% Pfd.	119.50	121.50
Can. Industries "B" Com.	240.00	242.00
Can. Westinghouse	62.00	65.00
Dom. Found & Steel 7000	42.50	43.50
Dom. Woolfords 6% Pfd.	4.40	5.00
Dunlop Tire 7% Pfd.	90.00	
Goderich Elevator & Transit	4.50	5.25
Guelph Carpet Com.	25.50	26.25
Inter. Met. Indust. "A" 6% Pfd.	95.00	97.00
McCormick's Ltd. 6% Pfd.	17.75	
Patterson Wm. Pfd.	100.00	
Provincial Paper 7% Pfd.	107.25	108.00
Reliance Grain 6 1/2% Pfd.	85.00	
Seal O' Sea (Can.) Ltd.	13.00	15.00
Standard Fuel 6 1/2% Pfd.	98.00	100.00
United Steel "A" 6% Pfd.	18.75	19.50
Western (Cons.) Foods Ltd.	3.25	3.50

INSURANCE STOCKS	BID	ASKED
Canada Life Asses.	536.00	545.00
Canadian Ins. Shares	16.50	
Empire Life 2 1/2% pd.	12.50	13.50
Great West Life Asses.	336.00	345.00
Guar. Co. of N.A. fully pd.	330.00	340.00
Imperial Life	360.00	370.00
Manufacturers Life Ins.	280.00	300.00
Monarch Life 10% pd.	25.50	27.00
Monarch Life 2 1/2% pd.	16.25	18.00
Sun Life Assurance	75.00	75.00
Western Assurance Pfd.	40.50	42.50

INVESTMENT TRUST SHARES	BID	ASKED
Can. Gen. Invest. Ltd.		
(Div. 500) 2 1/2% pd.	9.85	10.15
Can. Investment Fund	4.65	5.00
Can. Investors Corp.	8.50	9.25
(Div. 100)		
Cons. Div. Standard Sec.	40	
Cons. Div. Standard Sec. Pfd.	22.00	
Investment Fund 6 1/2% Pfd.		
bonus	58.25	60.00
Lon. Can. Invest. Corp.		
Com.	4.45	5.00
Sec's Hold. Corp. 6% Pfd.	20.50	22.50
bonus	23.75	24.25
United Corps. Ltd. "A" 6% Pfd.	22.25	23.50
United Corps. Ltd. "B" 6% Pfd.	22.25	23.50

GOLD & DROSS

reported to have exceeded \$130,000 in value, from the treatment of 8,250 tons milled, with the average grade \$15.80 per ton. This compared with an output of \$128,074 in June, from 8,005 tons milled, with an average recovery of almost \$16. Production for the first seven months of 1937 is in excess of \$800,000. Tons milled in that period were approximately 50,550 and the grade of ore nearly \$16 per ton. In the corresponding period of 1936 output was slightly under \$717,000, from 40,200 tons of ore milled, and the grade was \$17.80.

A dividend of five cents a share was paid July 2 and similar payments have been made at four-monthly periods since November 1, 1934, and to date the company has disbursed to shareholders a total of 45 cents a share.

The three new levels below a depth of 3,000 feet are rapidly opening ore of an excellent grade. On the 3,125-foot level there is a lineal ore footage of about 1,200 feet, on the next level about 800 feet and at a depth of 3,375 feet 600 feet of ore. Considerable of the total ore length on these horizons is represented by branch veins, to the south of the main break. The favorable ore situation at depth has placed the mine in an excellent position as regards ore reserves. The milling has been stepped up and the higher tonnage is being reflected in lower mining costs.

POTPOURRI

R. T. C., Fredericton, N.B. I would recommend holding your UNITED STEEL CORPORATION shares. A considerable improvement in the company's earnings this year over last is indicated in the official statement that shipments for the first half of the current year were 50 per cent over the same period a year ago, while a considerable backlog of orders still remains on hand. At the annual meeting held April 6, T. J. Dillon, president, stated that backlog of orders was at that time nearly \$1,000,000. United Steel officials regard prospects for future business as very favorable in view of increased mining activity and expansion in general industry. An important item in company outlook is that pulp and paper development is scheduled for an expansion program totalling, according to the Government, over \$90,000,000. This industry is one of United Steel's main sources of business. Several new lines of products for which there is a good market in Canada have also been developed this year by the company.

G. O. A., St. Thomas, Ont. HARD ROCK GOLD MINES is capitalized at 3,000,000 shares of which 2,999,074 are issued. The company is well managed and earlier operations were financed by Goldale Mines and Noranda Mines. Directors have authorized the construction of a mill with an initial capacity of 150 tons a day, with provision for stepping it up to 200 tons. A grade of around \$14 per ton is anticipated. It is expected the initial mill will operate on selected ore, rather than take ore from some of the wide, low-grade bodies that have been explored and partly developed. There is an ore length of 725 feet on the 250-foot level, with both east and west headings in an excellent grade of ore. The No. 102 vein system on the first level has opened up a total ore length of 450 feet, averaging better than \$14 over a five-foot width.

W. N. B., Brandon, Man. In connection with the placing of the shares of NORTH STAR OILS on the listed section of the Toronto Stock Exchange, an estimate of output for 1937 is given as 22,000,000 gallons compared with 21,265,013 distributed in 1936, 18,784,126 in 1935 and 17,782,456 in 1934. In 1936 earnings were equivalent to 57c a share on the 7 per cent preferred stock (\$5 par) compared with 51c in 1935 and 48c in 1934. There remained a balance of 22c a share on the common in 1936 against 17c in the previous year. In 1935 an aggregate of 35c a share was paid on account of preferred dividend arrears, and in 1936, 43c, reducing accumulations to 35c, at which figure they have been maintained. There was an excess of current liabilities over current assets of \$162,631 at the end of 1936, reduced from \$323,620 the previous year.

C. W., Nanticoke, Ont. If the underground program being carried out at ARBADE GOLD MINES comes up to expectations, it is reasonable to assume that the Matacheewan area is assured of another large tonnage, medium grade producer. The company has extensive holdings in Argyle and Baden townships and satisfactory results were obtained in the sampling campaign carried out at various parts of the property. There are some fifteen ore dykes on surface running parallel to each other and it is believed likely they will merge into one large dyke at depth. It was announced in June that further underground development would be carried on by contract. Water trouble was

encountered in the sinking of the shaft due to many fractures intersected in the formation, which contained springs of water. An unexpected porphyry vein was intersected at a depth of 213 feet in the shaft and this showed a width of 30 inches, with free gold in evidence with the pyrites in the porphyry. The present program calls for 400 feet of drifting on the 250-foot horizon, the major part of which will be carried out along the shaft dyke.

J. H. C., Sherbrooke, Que. I am glad you have found Gold & Dross useful. The position of MINNESOTA AND ONTARIO PAPER COMPANY has improved considerably, like that of other companies in its industry. With sales gaining from \$6,298,039 to \$7,507,081, net profit of \$455,470, after all charges, including depreciation and depletion, is reported by the trustee for the period January 3 to June 29, as compared with a deficit of \$101,189 in the corresponding period of last year. This is before deferred interest and other special deductions. Current assets as at June 29 were \$6,192,127, against current liabilities of \$1,321,691, indicating net working capital of \$5,170,436 up from \$4,741,245 three months earlier and \$4,058,069 six months ago. Operations were affected by continued shortage of water power but except as restricted by this shortage work continued at capacity. The subsidiary National Pole & Treating Co. reported a net loss of \$22,057 before interest and other special deductions in the six months to June 30, as against a net profit of \$14,884 in the corresponding portion of last year. With current assets \$1,530,990 as at June 30 and current liabilities \$80,099, net working capital was \$1,450,891.

J. S. T., Annapolis Royal, N.S. MCINTYRE PORCUPINE MINES will pay its regular quarterly dividend of 50 cents a share on September 1, to stockholders of record August 3. Distributions at this rate have been made every three months for the past three years and any immediate change does not appear likely. Questioned regarding the dividend policy at the recent annual meeting, J. P. Bickell, president, intimated the present one would be continued. LAKE SHORE is paying \$1 a quarter plus extras and in 1936 disbursed \$5 a share, as compared with the \$2 paid by McIntyre. The conservative dividend policy of the latter company is placing it in a very strong financial position. If it is the dividend angle you are interested in, a switch to Lake Shore would, despite reduction in the number of your shares, return you at least \$150 a year more than McIntyre on the basis of last year's disbursements.

W. L. C., Three Rivers, Que. Continuation of the improvement in earnings of INTERNATIONAL UTILITIES CORPORATION is indicated by the fact that net profits available for dividends for the four months ended April 30, 1937, amounted to \$518,239 as compared with \$759,728 for the full year 1936 and \$494,349 for 1935. Deducting regular dividends on the prior preferred stocks would leave the equivalent of \$4 a share available for the \$1.75 preferred stock, with \$2.61 a share remaining for the class "A" common stock. With prior preferred arrears finally cleared off as of March 1, 1937, the \$1.75 preferred is now in line for dividends. No dividends have been paid on the stock since 1933, arrears amounted to \$7 a share on July 15, 1937. The profits shown above for the four month period do not include a net profit of \$562,075 made on the sale of securities which was credited directly to capital surplus.

V. J., Edmonton, Alta. BRENGOLD MINES LIMITED was a reorganization of Casey Contact Gold Mines, with holdings in the Patricia and Sturgeon River areas. I have no record as to the present financial position of the company. Undoubtedly the new discoveries have improved the outlook for the mine. The No. 15 vein has been opened up for a length of about 100 feet with widths up to 17 inches. Two new veins have also been opened up, No. 23 for a length of 125 feet with widths up to 19 inches and a second vein located 375 feet, west of No. 21, has been opened up for about 250 feet in length and widths up to 21 inches. Assays from these veins are not yet available.

E. R., Toronto, Ont. In my opinion, the BORDEN COMPANY fulfils all the conditions outlined in your letter. The stock is listed on the New York Stock Exchange, the company has shown a steady increase in income over the past five years, is in a sound financial condition, and gives promise of increased earnings with the upturn of business conditions. The stock is selling currently at \$25 which, with a dividend of \$1.60, gives a yield of 6.4 per cent.

G. H., Hamilton, Ont. While shares of PAULORE GOLD MINES cannot be termed an investment, the property has interesting possibilities. Shaft sinking is now proceeding to a depth of 300 feet with two levels to be established at 150 and 275-foot depth and the company is well financed to carry out the initial development program. The shaft is being put down on the vein which returned high grade assays. A good width was shown on surface but the structure was uncertain. Drilling to shallow depth established continuity of gold values for a length of 180 feet and intersections in four holes are estimated to indicate a grade of half an ounce over a width of five feet.

ALBERTA VERSUS THE COUNTRY

(Continued from Page 17)

money is so ordered as to enable the people to enjoy the goods and services which they want and can provide, when, where and as they require them. . . . The right ordering of money is also necessary to maintain for the people their undoubted civil and property rights." He might just as well say that bankers are the enemies of the people, and that the people should rise and take over all the machinery of production for their own exclusive use. And that is the doctrine of red revolution.

THE Alberta policy goes beyond mere theory, however. It has already been applied in part. And whether by accident or design, the net result is to cheat the rest of the country.

Following its election on August 23, 1935, the social credit government suspended redemption of provincial certificates just four days later, but this was excused on the ground of temporary adjustment of finances, and for a further six months the government continued to calm anxieties by repeated assurances of its ability and intention to pay all debts. In May, 1936, however, it showed its true colors by cutting all interest payments on provincial debts by 50 per cent, as from June 1. The abortive attempt to float "prosperity certificates" was made later in 1936. There has also been a certain amount of shadow boxing directed against commercial as well as financial enterprise. One day there is an invitation to the fly to come into the web, and the very next day there is a threat to destroy all that are already in it.

But in the main the party has been kept busy, during the past twelve months, in settling the internal dissension among its followers that was bound to result from such a definite bias. And the rest of the country has been trying to get the right perspective of this financial outcast among Canadian governments. Now that the golden goose of credit is killed

anyway, the Aberhart administration evidently feels that it might as well be hung for a sheep as for a lamb. It has not merely severed diplomatic relations. It has declared war on the financial community. This is evident from the measures introduced in the special legislative session which was held last week.

First of all, a bill was passed empowering the government to deposit its funds in any provincial institution, not necessarily a chartered bank. Then came a bill seeking to establish control over operations of the chartered banks by requiring every banker to take out a license from the provincial government, for the purpose of securing which license the banker is required to undertake "to refrain from acting or assisting or encouraging any person or persons to act in a manner which restricts or interferes with the property and civil rights of any person within the province" which pledge, under the liberal view of the Alberta government, might be interpreted as preventing foreclosure or debt collection of any kind. To back this up, the courts of the province are to be entirely closed to any banker who does not get a license, for in that event he would not "be capable of bringing, maintaining, or defending any action in any court of civil jurisdiction in the province which has for its object the enforcement of any claim either in law or equity." The license fee for a bank branch manager is put at \$100 a year, and one found operating without a license may be fined as high as \$10,000; and if his license is once revoked, he may be charged, in the event of its renewal, as much as one thousand times the original fee!

A further Act seeks to close the courts of the province against any action which questions the constitutional right of any act of the legislature. That is, the Alberta legislature, which is only one of many working under our federal system, aims to put itself beyond the reach of the courts. However, it is power-

less to touch the higher and final courts, and for that matter it is doubtful if it can close its own courts which are also provided for in the constitution.

THIS is the defiance issued to the rest of the country by a provincial politician who has rallied against the "money power" ever since he came into prominence. It is a challenge to the Dominion government at the same time, for Mr. Aberhart knows full well that banking is under the exclusive jurisdiction of the federal House, and that the courts have repeatedly held that a government has no power to do indirectly, by license or any other so obvious device, what it can not do directly. Thus do the Alberta radicals hurl their defiance not merely against creditors, bankers and the Dominion government, but at the constitution and the courts that uphold it.

The facts about Alberta administration and its damaging effects on the rest of the country go much further, however. They are already costing the country several millions a year. To collect in full but to pay only in part or else not at all, is not merely an idea of the Alberta government. It is an established fact, and here is how it works.

On its \$160 millions of provincial debt, Alberta owes approximately seven millions a year in interest. The actual amount of debt charges in the fiscal year ended March, 1936, as shown by the public accounts, was \$7,338,568. The 50 per cent reduction brings this down to about \$3,669,284. It is further known that many investors have held their coupons rather than take this reduction, so that in actual fact Alberta is now paying out much less than that. Meanwhile the Alberta government takes its Dominion subsidy in full. In the 1936 fiscal year it amounted to \$1,751,475, and \$2,171,507 further was received from the Dominion as the latter's share of certain provincial outlays.

(Continued on Page 21)

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EVERYONE NEEDS THE SUN

Concerning Insurance

BONDING EMPLOYEES

Experience Proves Advantage of Carrying Dishonesty Insurance on Employees Handling Cash or Securities

BY GEORGE GILBERT

LOSSES to business and financial firms through the dishonest acts of employees exceed the losses caused to their property by fire. Yet in many cases the heads of these firms, who would not think of going without fire insurance, do not evidently realize that it may be just as important to protect their cash, securities and valuable merchandise against the depredations of dishonest employees as it is to protect their buildings and contents against loss by fire.

Some prominent firms believe that they have such a complete check on their employees that it would be practically impossible for any of them to default. Nevertheless, the foremost accountants readily admit that no check-up system has yet been devised which can be trusted in some way. The more clever the system, the more clever are the ways figured out to beat it. Collusion with other employees or with outsiders is a common method of getting around the most elaborate check-up system.

Other employers do not feel the need of dishonesty insurance because all their employees handling cash or securities have been with them a long time, and are trusted implicitly, as their honesty has been proved over a lengthy period of service. It is a fact, however, that insurance companies have paid out millions of dollars on just such "honest" employees. No company will knowingly or willingly bond an employee who is not trusted by his employer. Only trusted employees as a rule are in a position to embezzle the funds of their employer. If the employer did not trust them, he would probably discharge them. A trusted employee has a much greater opportunity to steal than one who is constantly checked and double checked. The more he is trusted, the easier it is for him to cover his tracks.

SOME employers believe they are protected against loss because their employees handle no money, all transactions being by cheque, and the employees themselves signing all cheques. Yet some of the biggest embezzlements ever reported have been committed by employees who handled no money. In one case the purchasing agent of a large chain store corporation, who was not bonded, because he handled no money, was able to get away with an amount estimated at over \$600,000 merely by the manipulation of purchases and sales accounts.

Because they know all their employees and their families personally, the heads of some firms are disinclined to adopt any bonding requirements in their business. Yet the claims files of insurance companies are full of cases of employees biting the hand that fed them by stealing from tolerant and generous employers.

Objection is taken by some employers to fidelity bonds for employees on the ground that they are too technical, and that it is too difficult to collect in case of a loss. It must be admitted that in the early days of the bonding of employees this statement would have been true. But as a result of the demands of employers for better and broader coverage, comprehensive and less restricted contracts are now on the market. The terms of these modern fidelity bonds are a great deal more liberal, and easier to understand.

These broad forms of contract cover any dishonest or criminal act, including fraud, forgery, theft, misappropriation and misapplication. Also, the broad form of salvage clause provides that in the event of the loss being greater than the amount of the coverage, the insured will receive full benefit of all salvage collected upon his entire loss is taken care of. What is called the "prosecution clause," which makes it necessary for the insured to prosecute an employee who has been accused of embezzlement, is absent from the broad form of contract.

While the methods used by dishonest employees to accomplish their objects are of infinite variety, some of the more common ones are listed as follows: Setting up fictitious firms through whom supplies are purchased and sales made to defraud the employer; collusion with customers to whom goods are billed below the proper price and the difference split; forging of pickup checks on goods which were never returned; making fraudulent loans to a company in which an employee has an interest; carrying dead men on the payroll; stealing materials; fake hold-ups; putting through charges against inactive accounts; carrying I.O.U. slips in the drawer as cash; and extracting ledger sheets to conceal shortages.

Some interesting findings drawn from 1,001 case histories of embezzlers were recently published in pamphlet form by the United States Fidelity and Guaranty Company. These embezzlers were employed men and women who, after passing the scrutiny of employers and underwriters, were bonded by this company. As it turned out, the favorable judgment passed upon them by employer and underwriter was wrong — proof that it is impossible to predict with certainty the future actions of any man or woman.

NOTICE TO READERS

Saturday Night's Insurance advice service is for the use of paid-in-advance mail subscribers only. Saturday Night regrets that it cannot answer inquiries from non-subscribers. Each inquiry must positively be accompanied by the address label attached to the front page of each copy of Saturday Night sent to a regular subscriber and by a stamped, self-addressed envelope. Each subject of inquiry should refer to one subject only. If information of more than one subject is desired the sum of fifty cents must be sent with the letter for each additional question. Inquiries which do not fill the above conditions will not be answered.

these 1,001 cases, it is apparent that they are well scattered over the various States and Provinces. The total amount of the defalcations was \$6,284,506.49, which was \$2,922,316.28 in excess of the amount of the bonds carried as protection in these cases. That is, the losses were nearly 90 per cent greater than the insurance carried, representing the amount the employers were out of pocket and indicating the extent to which they underestimated the embezzlement hazard in their business.

IT APPEARS that the typical embezzler belongs in the white collar class. Following is the word picture of him in the pamphlet: "He is thirty-six years old. He is married. He has a wife and two children. He is not a psychopathic or of feeble mind, nor does he live in a neighborhood where crime is widespread. His upbringing has been good. He is not the lowest paid person in his employer's organization, nor is he the highest. His friends and very often his wife imagine that his salary is \$300 a month or more, but it is nearer \$175 a month. He has a high school education. He lives comfortably. He has a medium priced automobile, last year's model, on which a balance is still owing. His traveling has been confined to occasional week-ends and a two-week vacation in the summer. He is a good mixer. He participates in social and community affairs. He enjoys a good time. He takes a drink, but rarely takes it during business hours.

"He lives in every State in the Union and in every Province in Canada, in large cities, in small cities. He is employed in every type of business. He is competent and smart. He has held his position for five and a half years. His employer regards him favorably, and he has honestly earned the position of trust to which he has attained. In short, so far as his past record is concerned, he is a regular fellow, a normal individual with a better than average business reputation and future."

Despite all these advantages he becomes an embezzler. Often, it appears, the typical embezzler is overtaken by domestic troubles which lead him to spend his means. He may have a spendthrift or nagging wife or a wife who is an invalid. He may have ailing children or an ambitious family whose demands cannot be met by his income. His family may feel that it has to "keep up with the Joneses." His sons and daughters may have become pressing financial problems. His wife may be unfaithful, or he himself may fall victim to a consuming infatuation for another woman, which will cause him to spend recklessly.

On the other hand, over-indulgence in liquor, gambling or speculation may cause him to "dip into the till," or to "kite" his accounts. In ninety-nine cases out of a hundred, he regards his action as a temporary borrowing and would indignantly deny that he is a thief.

An unexpected emergency, created by death, sickness or personal financial loss, is frequently given as the cause of his first but fatal defalcation. He meant to borrow only until the next pay day. But after that he may continue for a long period, hoping that some stroke of luck will extricate him from his trouble. It appears that when the typical embezzler finally finds himself hopelessly involved, he is more liable to commit suicide or break down and confess than he is to abscond. If he does abscond, however, it is usually "with the other woman."

GREAT-WEST LIFE SHOWS PROGRESS AT HALF-YEAR

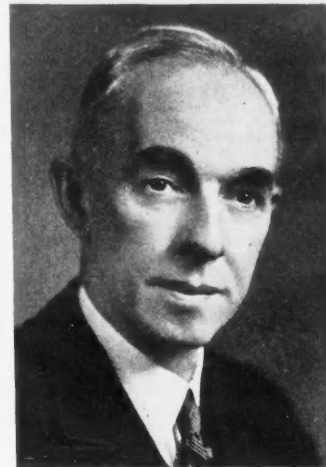
FIGURES released by The Great West Life Assurance Company early in July show that by the end of June the Company had accomplished a 10% increase in number of sales, a 7% increase in placed new business and a substantial gain in business in force, the total now in force being over \$581,500,000. In other words, during the first six months of 1937, the Company's field representatives turned in 10,172 applications for new insurance as compared with 9,219 during the first half of 1936. Business in force for the year to date gained by \$6,000,000, \$1,500,000 of this gain having been made in the month of June.

Seymour J. Cohn of Detroit, for the first six months of the year, was the Company's leading producer, with F. J. Ritchie of Brantford second for the year to date. Winnipeg branch, under Manager C. F. Dunfee, is the leading Canadian Branch in point of business production for the year to date, and A. H. Thorndycraft of Winnipeg was the leading business producer during the month of June. Improving general conditions in the United States and Canada, of which this Company's field force is taking full advantage, are given as the explanation of this increased business production.

FIRE INSURANCE PRODUCTION COSTS

VARIOUS government insurance officials have been taking a lively interest in the question of production costs in the fire and casualty insurance business. Among others is the New York State Superintendent of Insurance, Louis H. Pink, who has recently sent a questionnaire to all stock fire insurance companies operating in the State, with the object of bringing out definite information with regard to existing conditions.

Four questions are asked as follows: "Does your company observe the



LEROY A. LINCOLN, President, Metropolitan Life Insurance Company, who has recently been visiting the Canadian field forces of the Company, was born in Little Neck, N.Y., in 1880, the son of a prominent lawyer. Following in his father's footsteps, he was called to the Bar in 1914, and in 1915 was appointed counsel for the New York Insurance Department. His work in that position attracted the attention of Haley Fiske, then President of the Metropolitan, who lost no time in securing his services for the Company. In 1926 he was appointed General Counsel of the Metropolitan; in 1930 he became Vice-President and General Counsel, and in March, 1936, when Frederick H. Ecker was made Chairman of the Board, he was elected to the Presidency.

agency and commission standards established by the New York Fire Insurance Exchange?

"Does your company observe the agency and commission standards established by the Eastern Underwriters' Association, for the territory under the jurisdiction of the Syracuse Division?"

"Does your company observe the agency and commission standards established by the Buffalo Association of Fire Underwriters?"

Each question is followed by this request:

"If the answer to the above is 'no,' state the nature of the standard the company follows both as to agencies and commissions, including an estimate of average production cost, a statement of the maximum commission paid, and the rate of contingent."

Superintendent Pink has asked that prompt attention be given to the request for information. It is reported that the move can be associated directly with the investigation by the New York Fire Insurance Exchange into commission practices in the New York State area, and the reported payment of excess commissions in Rochester.

The New York Fire Insurance Exchange, through its arbitration committee and special counsel, Abraham Kaplan, is continuing its investigation. Several members of the Exchange have been fined on charges of paying excess brokerage in the New York City territory.

The reported unfavorable conditions at Rochester are generally considered to have been the direct influence that prompted the New York Department to sponsor a commission rate control bill before the last session of the legislature. It would have required the New York Fire Insurance Rating Organization to include a schedule of commissions in its rate filings. The bill was never acted upon. It was strongly opposed by agents and non-association companies.

DOMINION FIRE PREVENTION ASSOCIATION

H. M. TORY was re-elected president of the Dominion Fire Prevention Association at the annual meeting at Ottawa, recently. Other officers elected were: Honorary president, Charles Dunning, Minister of Finance; honorary vice-president and chairman of the executive committee, E. T. B. Pennefather, Ottawa; vice-presidents, Col. J. A. Cooper, Toronto; A. S. Creighton, Toronto; J. H. Riddell, Toronto; T. E. Clendinning, Ottawa; A. O. Dawson, Canadian Chamber of Commerce; H. M. Jaquays, Canadian Manufacturers' Association, both of Montreal; Mrs. G. O. Spencer, National Council of Women; Tom Moore, National Employment Commission; R. A. Seasons, Ottawa; honorary secretary, G. D. Finlayson, Superintendent of Insurance, Ottawa; executive, J. Grove Smith, Dominion fire commissioner.

NATIONAL DEFENCE CONTRIBUTION

BRITISH insurance companies are taking strong exception to what they regard as unfair discrimination in the application of the National Defence Contribution tax on their fire, accident and marine business. They had expected that the tax would be limited to their underwriting profits, but it appears that both their underwriting profits and their interest earnings are to rank for taxation.

Their case has been taken up by The Times, London, Eng., which under the heading, "Sound Finance Penalized," has the following:

"The companies have never objected to being taxed on the earnings of their business, like other companies, and their business, apart from life insurance, is the underwriting of fire, marine and accident risks. Like other trading companies, they

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ABSOLUTE SECURITY

W. R. HOUGHTON, MANAGER

United States Fidelity & Guaranty Company TORONTO

have prudently set aside to reserves portions of their earnings, instead of distributing them to shareholders in the form of dividends. The interest earnings of other industrial companies are not to be subject to the additional tax because their trading profits will be so taxed. But both the trading profits and the interest earnings of the insurance companies are to rank for taxation, and consequently sound finance is to be penalized—a deplorable result. Obviously a serious mistake and injustice of this kind, to whatever misunderstanding of the facts they may be due, are bound to rankle."

INSURANCE INQUIRIES

Editor, Concerning Insurance:
I am interested in taking out a life insurance policy with the Monarch Life Assurance Co. which has its head office in Winnipeg, Canada, and so would like your opinion on its financial stability compared to that of the larger, older companies. My family have been very fond of reading the Saturday Night, and have great respect for its knowledge of financial matters.

G. S. F. Markdale, Ont.

Monarch Life Assurance Company, with head office at Winnipeg, has been in business since 1906, and operates under Dominion charter and registry. It is regularly licensed for the transaction of life insurance throughout Canada, and has a deposit with the Government at Ottawa of \$88,000 for the protection of Canadian policyholders exclusively.

At December 31, 1936, its total admitted assets, according to Government figures, were \$12,634,807, while its total liabilities except capital amounted to \$12,045,805, showing a surplus as regards policy-

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NON-BOARD FACILITIES—CANADIAN AND ONTARIO MANAGERS

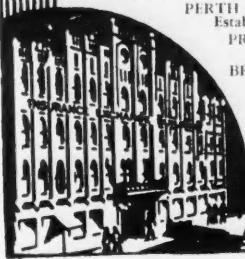
WELLINGTON FIRE INSURANCE COMPANY Established 1840	Assets \$ 1,244,288.58
FEDERAL FIRE INSURANCE COMPANY OF CANADA Established 1923	Assets \$ 949,878.13
CONSOLIDATED FIRE & CASUALTY INSURANCE CO. Established 1911	Assets \$ 792,379.12
MERCHANTS FIRE ASSURANCE CORP. OF NEW YORK Established 1910	Assets \$18,041,798.00
PACIFIC FIRE INSURANCE COMPANY Established 1851	Assets \$ 8,442,731.02
BANKERS & SHIPPERS INSURANCE COMPANY OF N.Y. Established 1918	Assets \$ 7,578,390.12
NEW JERSEY INSURANCE COMPANY Established 1910	Assets \$ 4,458,561.58
MILERS NATIONAL INSURANCE COMPANY Established 1865	Assets \$ 6,224,813.96
LUMBERMEN'S INSURANCE COMPANY Established 1873	Assets \$ 5,293,806.57
STANSTEAD & SHERBROOKE FIRE INSURANCE CO. Established 1855	Assets \$ 1,163,869.98
AMERICAN AUTOMOBILE INSURANCE COMPANY Established 1911	Assets \$18,868,087.42

TORONTO REPRESENTATIVES

GORE DISTRICT FIRE INSURANCE COMPANY Established 1839	Assets \$ 2,338,791.23
ECONOMICAL FIRE INSURANCE COMPANY Established 1873	Assets \$ 2,290,582.46
PERTH FIRE INSURANCE COMPANY Established 1865	Assets \$ 1,619,445.81
PROVINCIAL INSURANCE COMPANY LIMITED Established 1903	Assets \$10,050,194.75
BRITISH OAK INSURANCE COMPANY Established 1908	Assets \$ 3,661,446.64

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holders of \$589,002. As the paid up capital amounted to \$100,710, there was thus a net surplus of \$488,292 over capital, policy reserves, contingency reserve, provision for profits to policyholders and all liabilities. Policyholders are accordingly amply protected, and the company is safe to insure with. All claims are readily collectable.

Editor, Concerning Insurance:

Do you consider the General Accident Assurance Co. of Canada a reliable company in which to take out automobile insurance?

—M. E. M., Toronto, Ont.

General Accident Assurance Company of Canada, with head office at Toronto, is a safe company with which to take out automobile insurance. It is regularly licensed for the transaction of business throughout Canada, and has a deposit with the Government at Ottawa of \$317,490. All claims are readily collectable.

At the end of 1936 its total assets were \$2,464,179.58, while its total liabilities except capital amounted to \$1,085,975.86, showing a surplus as regards policyholders of \$1,378,203.72. Comparing this amount with the amount of the unearned premium reserve liability, \$562,056.01, it will be seen that the company occupies a very strong financial position in relation to the volume of business transacted. As the paid up capital amounted to \$135,000.00, there was a net surplus of \$1,243,203.72 over capital, unearned premium reserves and all liabilities.

Editor, Concerning Insurance:

Can you tell me if there are any legal restrictions in England as to the amount of insurance money which may be paid on the death of a child under ten years of age, such as are to be found in the various Provincial Insurance Acts in this country, and, if so, what the maximum amounts are over there?

—C. B. S., Montreal, Que.

It appears that there are two classes of policies issued in England on children under the age of ten years. Under the first class, which may be either whole life or endowment, the amounts which may be insured or paid are governed by the Friendly Societies Act and are as

follows: £6 if the child dies under the age of three; £10 if the child dies at or after age three and under age six; £15 if the child dies at or after age six and under age ten.

Under the second class of policies, which may be pure endowment or endowment insurance contract, there is a provision limiting the amount payable in the event of the death of the child before attainment of age ten to the amount of all the premiums paid. In a law passed in 1929 it was enacted that in calculating the amount which might be insured or paid on the death of a child under the age of ten, no account was to be taken of return of premiums on endowment or endowment insurance policies.

A check is kept by the Registrar of Deaths on the amounts paid on the death of a child under ten years of age. A special form of certificate is supplied by the Registrar, these certificates being issued in consecutive order in each case, and the law provides that if a company or society receives a certificate which is not the first issued in the case, it must, before paying any money, inquire what sums of money have been paid by any other company or society on the same life. The statutory limits as to the amounts which may be paid on the death of a child under the age of ten apply not only to companies and societies, but to all other bodies, such as trades unions or other associations whether registered or unregistered. The law provides that the Registrar shall not issue certificates for a total in excess of the statutory limits.

Editor, Concerning Insurance:

The Occidental Life Insurance Co. of California, with Head Office at 756 South Spring St., Los Angeles, does business in Ontario with Head Office at The Canadian Bank of Commerce Building, London, Ontario.

I am interested to know if you consider this company of good standing and safe to do business with.

—F. A. R., Barrie, Ont.

Occidental Life Insurance Company of California, with Canadian head office at London, was incorporated and commenced business in 1906, and has been operating in Canada under Dominion registry since June 28, 1928.

It is regularly licensed in this

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country for the transaction of life insurance, insurance against bodily injury and death by accident, and sickness insurance. It has a deposit of \$848,159 with the Government at Ottawa for the protection of Canadian policyholders exclusively. All claims are readily collectable, and the company is safe to insure with.

At the end of 1936 its total assets in Canada were \$799,255, while its total liabilities in this country amounted to \$730,261, showing a surplus here of \$68,994. Its head office financial statement showed total assets of \$27,371,017.94; total liabilities except capital, \$34,246,588.83; surplus as regards policyholders, \$3,124,428.21; paid up capital, \$1,000,000.00; surplus assigned, \$749,196.32; net surplus over capital, policy reserves, contingency reserves, and all liabilities, \$1,375,231.89.

Total income in 1936 was \$12,893,247.73, while the total disbursements were \$8,864,317.27, showing an excess of income over disbursements of \$5,028,930.46. Insurance in force at the close of 1936 amounted to \$292,768,483.16.

Editor, Concerning Insurance:

A friend of mine has taken out some life insurance with the Knights of Columbus. He is 27 years old and pays \$60 a month per thousand for ten months which is \$8.00 for \$1,000 of insurance. This is a whole life policy.

Does the premium on this policy cease at 85 and has he any guarantee that the premium will not be increased as he grows older? Do you

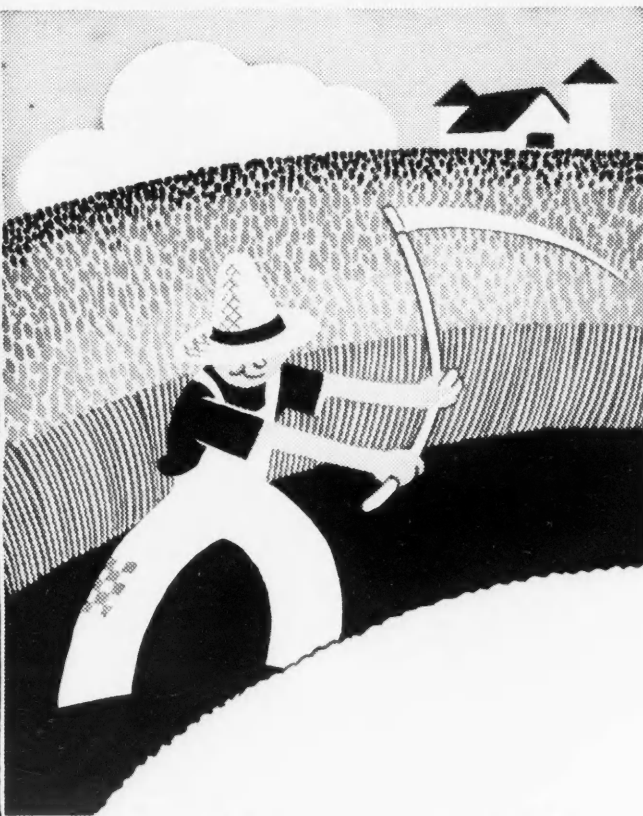
consider it safe to insure with, and have they a deposit with the Canadian Government?

A. P. M., Port Colborne, Ont.

According to the summary of the report of the Consulting Actuaries of The Knights of Columbus appearing in the Dominion Insurance Report, the society issues one form of certificate which is 5-year renewable step rate term insurance to age 55 with an extra premium collected and accumulated to provide for a reduction in the level rate of whole life insurance upon attainment of age 55. At that age the following level premium options of continuing are available: (a) Whole life insurance; (b) Whole life insurance with premiums payable for 15 years; (c) The Economic Plan, with premiums payable to age 70 (whole life insurance, the amount decreasing \$50 per \$1,000 each year from \$1,000 at ages up to and including age 60 to \$250 at age 75, thereafter remaining constant).

It would depend upon which option was taken at age 55 as to when premiums payments would cease. As the actuarial valuation balance sheet shows a substantial surplus of assets over all liabilities including reserves, the society is safe to insure with for fraternal insurance. It is regularly licensed in Canada, and maintains assets in this country in excess of its liabilities here, including the reserve liability on certificates in force in Canada. It has a deposit with the Government at Ottawa of \$765,000 in Dominion of Canada bonds for the protection of its Canadian policyholders exclusively. All claims are readily collectable.

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The rural market of Ontario, Quebec and the Maritimes has \$61,974,000 more to spend » » »

FIGURES just released by the Dominion Bureau of Statistics reveal a very encouraging picture for the rural market of Eastern Canada. Values of agricultural products, rose sharply during 1936 with the result that this market has almost \$62,000,000 more to spend than it had last year. In all probability 1937 gains will be even greater.

In 1936, Ontario led all the provinces in the Dominion with a gain of almost \$40,000,000. Quebec's gain was almost \$15,000,000. New Brunswick was practically \$5,000,000 ahead. Prince Edward Island advanced by over \$2,000,000 and Nova Scotia's gain topped the \$1,000,000 mark.

UP MORE THAN \$208,700,000 SINCE 1932

The big gains enjoyed by the rural market of Eastern Canada for 1936 will be more readily appreciated when contrasted with 1932 figures.

In 1936, the gross value of farm products in Eastern Canada was \$617,700,000. In 1932 the gross value only reached \$409,000,000. In 1931, the gross value was \$484,158,000, or \$133,542,000 below the 1936 figures.

With this greatly increased purchasing power, manufacturers of practically every variety of product have a golden opportunity to develop the rural market of Eastern Canada. And this can best be done through strictly agricultural publications which are edited for those engaged in farm work.

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ALBERTA VS. THE COUNTRY

(Continued from Page 19)

In corporate and private finance, the government has legislated to encourage defaults and adjustments of debts due by Albertans, but not of debts due to Albertans. The too rapid development of the west through borrowing of outside capital has made this very thing possible. Many countries such as Mexico and Brazil have encouraged outside capital into their development, and once it was tied up, they have made it very difficult for the creditors to collect. Our investors and financial institutions are vulnerable to similar action in the west, and the Alberta policy is a definite step in that direction. The money is now represented by provincial and municipal works, urban and farm properties, and numerous other forms mostly under the jurisdiction of the provincial government. It is not known what loans the banks might have in relation to their deposits in Alberta, or how the insurance, loan and trust companies would stand in such a comparison, but it is known that a total of many hundreds of millions of outside capital is invested in Alberta and is subject to possible legislative action there.

DEFENSIVE, even coercive measures, are available, however, and now that the social credit government has declared war, there need be no further reluctance in adopting them. Several lines of action appear to be available.

One is purely defensive, and that is to hold the Alberta legislature to its own strict jurisdiction. It is a foregone conclusion that the banks will combat any such subversion of their business as is proposed by Alberta. And the Dominion government, which has upheld its insurance jurisdiction to the limit, can do the same in respect to banking.

Many people have asked why the Dominion government does not exercise the power of disallowance which is vested in the Governor-General on the advice of his ministers. That power has rarely been used, for various practical and diplomatic reasons, but it might still be invoked if other steps fail.

Through its financial relations with the provinces, the Dominion has a power which may be very effective. Under the B.N.A. Act and amendments, the subsidies have to be paid regardless of how a province may behave. The Dominion's position therefore is like that of one who is both a debtor and a creditor of a bankrupt, and who is compelled to pay in full rather than offset one item against the other. But in its relief, loans and other voluntary contributions, the Dominion has power to the tune of several millions a year. One hesitates to think where Saskatchewan would stand today without a large net contribution from the Dominion treasury.

Finally, the financial institutions are not entirely helpless. If the problem becomes sufficiently acute, the banks could transfer all their Alberta operations to a new bank specially formed for that purpose and jointly controlled by them. Then, instead of Alberta creditors being able to withdraw 100 cents on the dollar while Alberta debtors paid only in part or not at all, the former would get only what was available from Alberta operations or collections. Similarly, the injustice of Albertans paying only part of their bond interest while citizens elsewhere in Canada pay in full might be

brought home by a pooling of the Alberta business of the life companies in a provincial institution dependent entirely upon Alberta bonds and mortgages. Then the cost of Alberta confiscation and repudiation would fall, firstly and most heavily, upon the people of Alberta.

POSSIBLY it is unfair to suggest such retribution for Albertans, even though they did endorse Mr. Aberhart and his followers. But he now is most positive that in these new measures he is expressing the will of the people. In the notes on his letter to bankers, Mr. Aberhart asserts that "pressure from these electors induced us to get together again, and return to the course from which we had been diverted. . . . That is proof that Alberta has a true democracy government by the results which THE PEOPLE want. The government of Alberta has made itself the only one in the world which is directly responsive to the will of THE PEOPLE, and proved it."

If the people of Alberta are behind these policies, then it is up to other Canadians to protect themselves against repudiation and confiscation. The United States fought a civil war to prove that it was "an indestructible union of indestructible states." Mr. Aberhart can not secede from the Dominion financially any more than he can politically.

If Alberta no longer agrees with its government, it should make this clear at once. Speaking in the legislature on August 5, Provincial Treasurer Low claimed that "External authority has been permitted to invade the province, armed with powers which they have gained as the outcome of the arrangements of Confederation, and to impose upon our people conditions absolutely opposed to their sovereign will. Such was never the intention of Confederation." He did not add that Alberta became a province long after Confederation, and under its terms, which put banking, currency and various other matters under the control of the people of Canada as a whole, and which further assure them of the rights of British citizens in the courts. The "tyranny" which he alleged was being imposed on Alberta is really being proposed by his own government, for its new legislation amounts to the most obvious bid for dictatorship that we have had in this country.



AUSTIN H. CARR, M.A., C.A., Toronto, Secretary-Treasurer of the Dominion Association of Chartered Accountants, who is attending the annual meeting of the association at Vancouver, August 16 to 19.

WAR SPENDING MENACES WORLD

Some Countries Diverting 50% of Ordinary Tax Income to War Preparation—War Boom Destroys Wealth

THE recent appearance of the Chancellor of the British Exchequer before the House of Commons, asking for power to borrow up to £400,000,000 for defense purposes during the next five years, brought very forcefully to the public attention the great growth of armament expenditures during the past few years, says the National City Bank of New York in its monthly letter. The British Government has already budgeted for defense services during this same five year period £1,000,000,000, to be spent at the rate of £200,000,000 annually. While the regular budgetary outlays are to be used chiefly for the aerial defense and the modernization of military equipment, the proceeds of the loan will be confined primarily to the building of battleships, naval and air bases, and armament factories. Great Britain, therefore, expects to spend about \$1,500,000,000 annually for military and naval purposes in the next five years, which is about four times the amount spent annually before the war and almost three times as much as was budgeted only three years ago.

Only a few days before the British announcement, the French Chamber of Deputies approved a special grant of 19,240,000,000 francs (about \$890,000,000) at the present rate of exchange for defense preparations to be spread over the four year period. This expenditure will have to be met from either a loan or a credit from the Bank of France. Its purpose is to provide for military roads, industrial mobilization, and particularly the extension of the concrete and steel "Maginot Line" of fortresses along the Belgian and Swiss boundaries. In addition, the 1937 French budget calls for a regular national defense expenditure of another 19,000,000,000 francs compared to 11,650,000,000 budgeted in 1933.

In the 1937-38 Japanese budget, 1,700,000,000 yen (about \$100,000,000) was allocated for defense services and although this figure was cut down somewhat in the Diet, it is still more than twice the military expenditures in 1931-32, the year of the Manchukuoan occupation, even if the subsequent yen depreciation is considered. Even the United States, despite its comparative security from foreign attack, has increased its defense appropriations. In the 1937-38 budget, \$992,000,000 was set aside for military expenditures against only \$549,000,000 budgeted three years ago, the low for the post-war period.

THE armament race is not confined to the great Powers alone. The smaller European countries and even the far-flung Dominions, Canada and Australia, have either budgeted or borrowed for armament. In January this year the Netherlands proposed an extra expenditure of some 45,000,000 guilders for the East Indian defense. The French credits and loan to Poland, fixed at 2,000,000,000 francs (\$121,000,000) is to be used primarily for mechanization of army equipment, for boundary fortifications and for strategic railways. Czechoslovakia, a comparatively small country, floated a huge defense loan of 3,500,000,000 crowns (about \$120,000,000). Belgium and Switzerland are also engaged in fortifying their boundaries, while Turkey is doing likewise in the Straits. Reliable data are not available for the huge armament expenditures of Germany, Italy and Russia,



THE FAMOUS HAIDA TOTEM, from its well-known site outside the Canadian National Railways station at Jasper, Alberta, took the salute recently from R. L. "Bob" Davis, famous as a globe-trotter. Bob has seen many wonderful and grotesque things in his world-encircling activities, but he took more than a cursory glance at this relic of Canadian Indian life.

—Photo courtesy Canadian National Railways.

but there can be little doubt about their size, particularly in Russia and Germany, where the entire national economy was mobilized for this purpose.

In a recently published survey, the Foreign Policy Association attempted to measure the growth of armament costs since Japan's conquest of Manchukuo. According to this survey the defense expenditures of 69 countries rose from \$5,964,000,000 in 1934 to \$10,730,000,000 in 1936 and will likely be even higher during 1937. Expenditures of these proportions, of course, have greatly influenced the industrial production of a number of countries. In fact, the French Premier remarked in his Lyons speech in January that in many countries "it would be impossible to restrict the present armament race without provoking the danger of grave internal crisis."

DEFENSE expenditures of European countries are already approaching the war scale. As much as 20 per cent of the national income, or over 50 per cent of ordinary tax income, is being

diverted in some countries into unproductive channels for war equipment. This is because an armament program requires nowadays vast expenditures of capital not only for the maintenance of armies or fortifications as in the past, but also for building of manufacturing plants capable of turning out the latest models of tanks, motor vehicles and airplanes. Moreover, vast reserves of foodstuffs and essential raw materials have to be put aside, because no country wants to be caught short after the experience with the blockade in the last war.

Hence, the diversion of a large portion of the national income becomes imperative, unfortunately at the expense of consumers and private business in general. Not only must private business compete for what is left from the annual accumulation of capital, thereby forcing the cost of capital upward, but it is also forced to compete for raw materials and skilled labor, particularly if business revival happens to take place concurrently.

Under these circumstances artificial demand is created for commodities resulting in higher prices, while scarcity of labor or of productive capacity brings about "bottle-necks" in the industrial machine. Naturally, industrial costs rise, and the export trade becomes handicapped and neglected. In turn the husbanding of foreign exchange may become necessary along with the control of imports. In such event raw materials for armament usually receive precedence over the imports of foodstuffs or raw materials for private business, although they do not produce anything for export in return. Thus the armament expenditures not only do not add anything to the material well-being of a country, but inevitably depress the standard of living of its population.

The consequences are even more serious if borrowing has to be resorted to in order to defray the cost of armaments. In such case an inflation of bank credit takes place, which may become particularly unsound if the credit base had been already overextended as a result of previous borrowing for social needs or business revival. The additional purchasing power which is thus created only intensifies the pressure for certain commodities, industrial capacity and skilled labor. A temporary boom in unproductive capital goods takes place at the expense of consumption goods, only to augment the taxpayer's burden. Moreover, the difficulty of keeping the country's economy balanced becomes greater and invites more Government control and interference.

IT SHOULD be unnecessary to say that this is a very unwholesome and undesirable development in world affairs, but unfortunately the news reports commonly imply that it is a boon to the business community. It is indeed increasing the demand for labor and causing a rise of prices, as similar developments did after the outbreak of the Great War. However, the world knows by this time that the activity in industry produced by that War meant anything but real prosperity. It was the most reckless, profligate and disastrous expenditure of capital, labor and credit ever known in the history of the world, and cost all nations nearly twenty years of normal development, not to mention the debts still remaining to be paid.

This armament race means that, except for the armies in the field, the costs of the Great War are being repeated and that the deadly influence of inflation already is felt in the busi-

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ness life of all countries. Although the national debts created by the Great War have been scarcely reduced at all, and for most nations have been increased; although the taxes levied during that War have been reduced but little, and are now being increased; although the normal pre-war rate of industrial growth has not yet been regained, these new burdens are being assumed under the pressure of seeming necessity.

IT IS now known as a self-evident truth that the disorganization of industry and trade, the violent fluctuations of prices and wages, and the resulting calamity of widespread unemployment, have been, together, the

principal cause of the Great Depression that has encircled the world and that has been more costly than the War itself. These vast expenditures upon war preparations must have a similar influence, so far as they go.

All of the panics, crises and depressions the business world has experienced in the past have been caused by disturbing influences arising outside normal industry and trade, and in most instances from War. The revenues raised by taxation and expended upon armaments might as well be thrown into the sea, so far as any lasting benefit to the mass of the world population may result, and the same is true of the proceeds of loans for this purpose. The immediate

effects upon wages and prices must result, as before, in derangements of trade relations, with another period of unemployment and a long struggle with debts.

True and lasting prosperity results only from regular and balanced production of goods that minister to the needs and welfare of the masses, and a reciprocal trade which enables the varied individual groups to buy from each other in mutually beneficial trade. Such trade, if it settles itself, may continue indefinitely, in ever-growing volume. A war-boom is destructive of wealth, and mortgages future income, while reciprocal trade in goods for consumption or use is a blessing to mankind.

BRITISH TRADE HOLDS UP WELL

Figures for First Half Year Confound the Pessimists—
No Real Indication Yet That End of Boom Is Near

BY GILBERT C. LAYTON
Saturday Night's Financial Correspondent in London

THE first half of 1937 would, it was thought, be a crucial time for British trade and industry. Since 1931 the upward movement has been strong and sustained, and the exponents of the cyclical theory of boom and depression began last year to forecast a transition from the one into the other. During 1936 activity in the building industry, which was one of the major planks on which domestic prosperity was reconstructed, began to show signs of hesitancy, and the implications of the fact that some of the heavy industries—those connected with iron and steel—were experiencing the inconveniences of boom began to be realized.

But trading returns have confounded the pessimists. The rate of progress has in all but a few departments been maintained, and in those departments where it has not the recession has not been sufficiently serious to justify apprehension regarding recovery in *total*. The requirements of heavy industry have not been completely met by the producers of iron and steel, although their production has been at a record level and has commanded higher prices. With industrial profits rising and with wages increasing retail trade has continued steadily to expand. In May retail sales were 13.2 per cent up on the year. The decline in unemployment to 1,356,598 has brought Great Britain's labor situation practically back to the pre-depression level. In certain other departments, such as the textile manufacturing industries and the coal industry, recovery has been of more modest dimensions, but it has proceeded to an extent sufficient to justify optimism regarding the future.

If 1937 represents a crucial time in the recovery movement, it is because it is witnessing a change in the basis of recovery. Great Britain has pulled herself out of the slough of despond largely by her own bootlaces. The trend of developments during the first half of the year has not invalidated the thesis that the progress of recovery at its old rate must depend upon an expansion in overseas trade sufficient to balance the slackening of recovery in the purely domestic industries. The half-yearly overseas trade figures therefore have a special significance. Imports increased by £80,802,700 on the year, to a total of £483,422,000. Exports, at £191,767,600, were £51,479,200 higher.

The implications of the growth in the adverse visible trading balance deserve examination. This has been a matter of some concern to the economic purists, but it is in fact a phenomenon to be expected in a time of rising world prices and of the persistence of inhibitions to the free flow of trade. In the former connection it must be noted that rising prices affect immediately the cost of imports but that a time-lag intervenes before the prices of goods exported rise correspondingly, for these can only rise when an expansion in consumptive power in overseas markets justifies it.

THE latter is important in so far as it reveals policy. So far as economic policy purely is concerned the important thing is that by allowing an adverse balance of considerable dimensions Great Britain displays her faith in the future of international trade. A faith that sooner or later imports and exports will approximately balance. The politico-economic implication is to

be discovered in the fact that the major advance recorded in imports designated as "manufactures" is attributable to larger purchases of metals and machine tools. These are the life blood of the rearmament industry and the eagerness of the authorities to facilitate the prosecution of the rearmament program is to be discovered in the rapid increase in the relevant imports and in the reduction in the steel duty to ease the burden shouldered by an overworked iron and steel industry.

As more general indicators of the general state of trading activity, it is significant that the half-yearly returns of the banks show a substantial expansion in both deposits and advances. Another is the increase in new issues, excluding conversions, from £180,191,953 in the first half of last year to £296,661,603 in the corresponding period this year.

The future may be considered optimistically. Building activity is tending to decrease, and in one or two other branches there are signs that the rate of advance will be somewhat reduced. The pace of domestic recovery alone, however, should be sustained by the growing importance of the rearmament program to industry as a whole, while it may be expected that the efforts of the government to free international trade from its crippling hindrances will bear fuller fruit in due course. It may be added that, although it is true that the rearmament program is necessarily limited in point of duration, its removal as a vital factor in the industrial scene would enable industrialists to concentrate more upon the needs of the overseas market. In this way a balance might be effected.

BUSINESS AND MARKET FORECAST

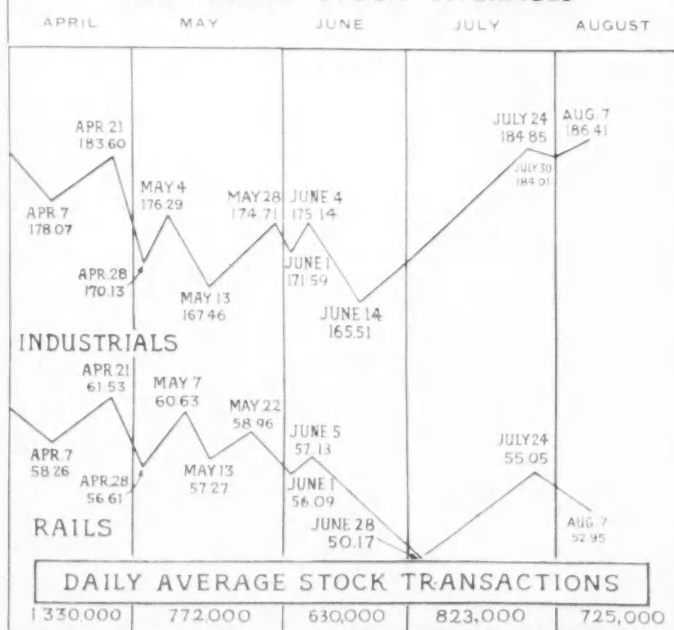
(Continued from Page 17)

crop prospects are favorable.

Assuming no fresh labor outbreak of a major character on this continent, and no undue disturbances from abroad, there is no strong reason to indicate that the market, during the current month, should differ other than follow the customary August pattern. This would suggest that any recession that might develop should be followed in a subsequent recovery in prices carrying the advances to above the level from which the recession started.

Stock groups which have led the recent recovery are the agricultural equipments, chemicals, containers, electric equipments, machinery, oils, mail order, steels, and amusements and utilities. In each instance there are underlying considerations justifying this selectivity, such as the favorable effect of larger crops on the agricultural equipments, containers and mail order issues; the anticipation in the amusement stocks of the heavy fall and winter season; some improvement by the utility outlook based upon the United States Administration's recent defeat in the judiciary proposal; the continuing need and demand for machinery in industry; the relatively high rate at which the steel industry has been operating; and the trend character of chemical and electric equipment development. These groups should logically share in any resumption of the advance that might develop here or after a mid-month set-back.

DOW JONES STOCK AVERAGES





GATEWAY TO THE THAMES. Gravesend may not be renowned for its beauty, but this sunset study gives a picturesque touch to the Essex coastline, known to all vessels passing up and down the Thames.

WILL MARKET BOOM THIS FALL?

(Continued from Page 17)

same amount of money that would have been used to buy gold at \$35, there would be practically no advantage in lowering the price because it would not stop selling.

On the other hand, evidence that the tide itself has turned is manifest. Great Britain increased her Exchange Equalization Fund by \$1,000,000,000. This money is available to buy gold and thus, at one and the same time, assures the United States Treasury of assistance and the gold hoarders of price stability. France, having devalued her currency, is in a better competitive position to obtain more foreign trade and hence more of the world's gold may flow into France, thus relieving pressure on the United States. China is buying American gold in return for a commodity well known to American Treasury officials: silver! Anyway, Brazil has contracted for \$60,000,000 of American gold to stabilize her currency; and this is likely to motivate other non-gold producing countries to do likewise. Western State senators, across the border, after consultation with the U.S. Treasury department, have informed their constituents whose livelihood greatly depends on gold mining, that they may assume \$35 gold indefinitely.

A recent item in the press indicated that American gold imports declined 60 per cent. from the previous week—that is, a drop of \$35,000,000. So much for gold.

THE technically overbought condition of the market which contributed to the precipitous decline has now been eliminated by a thorough shake-out. Likewise, the upward whirl in commodities has been corrected. The Executive means, already referred to, which were used to stifle inflation in the United States, are not likely to be extended in the near future. The possibility of further strikes remains, and will be dealt with later. Suffice to say here that the C.I.O. has given ground for the moment, and to recall for my readers a Wall Street axiom: "Never sell stocks on strike news." Gold mines are perhaps the one exception—because of the fixed price for their product. The point is, strikes usually follow depressions and herald better times; and higher prices have an uncanny way of both compensating for higher wages and maintaining dividends!

Two other contributory factors remain to be discussed: the year-old Spanish War and the French financial crisis. As both Mr. Mackenzie King and Mr. Neville Chamberlain intimated in recent speeches, no nation desires war, but a hasty utterance or a thoughtless gesture on the part of those in authority could precipitate an awful avalanche. For assurance in this regard the only logical man to consult would be Mr. Anthony Eden. Speaking before the House on July 19 he said: "As we survey the world, the outlook is not wholly bad. There are storm clouds, but there are patches of clear sky. On the whole the atmosphere is less

tense and lowering than it was twelve months ago. The mere fact that Europe endured for twelve months the strains, stresses, sudden jars and constantly returning crises of the Spanish conflict without the whole of Europe being involved in its consequences surely affords a cause of modified hope." And in closing: "Though the load of international anxiety remains heavy... yet, Sir, I stand at this box today with a greater measure of hope than was possible a year ago that the nations of Europe will yet compose their quarrels and that peace will be preserved."

The other issue, that of the French crisis, while admittedly serious, has nevertheless seen its worst as far as the markets are concerned. A French cabinet decision on July 29 to economize on Government expenditures and to create a fund of \$300,000,000 to support Government bonds, will, coupled with proposed tax levies and a floating franc to take up the slack, do much to allay any fears of a collapse in that country. The expiration of the Cabinet dictatorship powers on August 31 might conceivably mark the beginning of a secondary crisis and the fall of the Chautemps regime. But never think for a moment that that would unnerve our booming fall market! France, under the Third Republic, has seen many, many cabinets fall. This is not a sign of political instability in France, as it would be in Canada or the United States, inasmuch as, after most cabinet defeats, policy is unchanged. Frequently the new cabinet is just a more competent group of men to accomplish the same end. This happens because under the "group system" of political parties, Parliament controls the cabinet; whereas, in the Canadian bi-party system, the Cabinet tends to run Parliament being practically sure of the support of its party which is in a majority.

IN THE foregoing paragraphs I have outlined a few of the reasons for the recent market decline and examined each for a clue as to what effect, if any, it would be likely to have on our fall market. Before balancing our books, however, there are a few other current assets and liabilities that should be noted. On the one side of the ledger we have to our credit the recent defeat of the U.S. Supreme Court enlargement Bill. So that the "New Dealers" are not likely to receive much judicial support in dealing American shareholders' beloved dividends into the hands of the controllers of their "controlled economy." To this item, we can add the very important factor, marketwise, of inflation. The same factors upon which inflation talk thrived in recent years are still present and, in fact, becoming more potent. In the United States, the gold hoard of \$12,000,000,000 suggests a potential credit expansion far exceeding that reached in 1929. The American budget is still badly unbalanced and the national debt is at an all-time high. Unbalanced

budgets mean piling debts, a weaker national credit and the constant political temptation to take the easy way out—print currency. This step may be years away, but at present, the road is clearly marked. This means steady buying pressure in equities by those (such as insurance companies, banks and institutions) who control large funds.

Another ledger entry should be the much-mooted Britain-United States trade pact. Negotiations which were started months ago in Washington appear to be along the line of freer trade for the purpose of increasing the total volume of world trade—not merely redistributing the present trade. Inasmuch as the British Dominions will be ultimately involved, particularly Canada, and therefore their respective Governments will have to be consulted, it is likely to be some time yet before any settlement can be agreed upon. However, the consensus is that such results will be beneficial to trade and hence to markets.

On the other side of the ledger, we have certain debits to appraise. A possible secondary French crisis, with perhaps a new batch of premiers, would be negligible marketwise, as already pointed out. On this side of the water, another round with the C.I.O. could be expected. John L. Lewis is a real fighter and perhaps he has aspirations of a comeback. But serious as strikes may appear at the time, history indicates that such difficulties are never insurmountable. The inference is that any reaction marketwise, would be neither large nor prolonged.

The unknown quantities of war abroad are not easy to appraise but I would incline to the view that the far eastern situation, while capable of giving us a few thrills, would, like the strikes, not be of considerable duration marketwise. Regarding the European situation, we have already consulted Mr. Eden.

FROM the foregoing, it would appear that the balance would work out to be a favorable one for our markets. To this we can add that trade is good, the people are getting higher wages in industry, employment is increasing. Money in abundance is awaiting sound investment outlets, as bankers know too well. The psychological theory of trade cycles, while of questionable merit, as a whole, undoubtedly contains truthful elements. Market followers are either overwhelmingly optimistic or apprehensively pessimistic—hence the wide market swings. True, crowd psychology has a large effect on the markets, but the public invariably follows—never taking the initiative. The crowd travels on the caboose and tends to swing wide on the curves as any chartist knows.

After a "break" of \$10,000,000 in value of listed securities in New York during a period of three months, it takes a little time to get over the shock. Yet this occurred only after a steady rise for two years in which values doubled from thirty-one to sixty-two billion dollars. It would appear that the recent recession has amounted to no more than what the French call "reculer pour mieux sauter"—stepping back to jump better. The markets both here and in the United States are likely to continue to back and fill between the lows for the year and the recent highs obtained subsequent to those lows, until a new impulse develops. Trying to guess what would start this impulse upward would be futile, but any one or a combination of the many favorable factors discussed could easily give the necessary flip which would slowly start the market on its way to a full-fledged boom with John Public once more computing his paper profits.

THE salient feature of the development of the stove industry in Canada is the increasing use of electricity for cooking. The use of gas has also increased considerably but not to the same extent as electricity. Coal and wood remain still the leading fuels for cooking and heating. A striking phase of the development of electric apparatus is the increase in the production of cooking plates which may be attached to electric lighting circuits.

MINES

BY J. A. McRAE

SCRAP metal, the great supply of which has bolstered up the quantity of metal available for immediate consumption during the past couple of years or more, is on the decline.

Consumers of base metals are now turning with urgent demands for metal in larger quantities direct from the mines. Current consumption of metals in general is considerably greater than the output of the mines.

It has been nothing short of a desire on the part of producers themselves to maintain a uniform market that prices for lead, zinc, copper and nickel have not soared to much higher levels than at present. It is considered by many close observers that if the current condition prevails for any great length of time, it will not be possible to restrain competitive trends among consumers and that prices for base metals may reasonably rise to new high levels for the current century.

Indicative of the great demand for metal in the building trades is the fact that iron mining is again to become a reality in the province of Ontario. Algoma Steel Corp., through Sir James Dunn, president, has announced plans for placing the Helen iron mine on a producing basis of 2,000 tons daily.

International Nickel has attained a production rate of approximately 500,000,000 lbs. of metal annually. Nickel production has risen now to a rate of about 200,000,000 lbs. annually, while the output of copper is closely approaching a rate of 300,000,000 lbs.

International Nickel, for the first time in the history of this vast enterprise, has established gross income at a rate of over \$100,000,000 a year. An output of 200,000,000 lbs. of nickel suggests a value of over \$60,000,000 in this metal alone. An output of close to 300,000,000 lbs. of copper a year suggests a value of around \$40,000,000 in this metal. Add to this the production of possibly \$1,000,000 a month in precious metals, and an idea may be gathered as to the gross value of current output.

Sherritt Gordon secured a full supply of electric power late in July, and is again back into production at full blast. With cash assets of \$700,000 in its treasury at the commencement of production on August 1, the company is in somewhat stronger financial position than was generally supposed. The production objective set is 30,000,000 lbs. of copper annually, with a value of some \$1,000,000, plus an output of possibly \$300,000 in precious metals. Added to this is a large tonnage of zinc ore. Plans for producing this metal are under consideration, with the result that if prices for base metals continue strong, the producing status of Sherritt Gordon during the coming year may be brought up to between \$5,000,000 and \$6,000,000 annually.

Uchi Gold Mines has completed its shaft to 625 ft. in depth, while working stations have also been completed at 300, 450 and 650 ft. levels. Arrangements are being made for hydro-electric power, and general plans embrace arrangements during the coming year for a milling plant of very impressive capacity to take care of the big width of the orebodies so far disclosed on this property.

Hard Rock Gold Mines has cleared a site for its new mill of 150 tons per day. Mill equipment has been placed on order, and the erection of the plant should be well advanced before winter sets in. Recent diamond drilling has indicated a parallel zone carrying low grade ore.

Darkwater is slashing about two feet off the top of its drifts and will run this material through a small test mill recently erected on the property. This method is intended to determine more accurately the average gold content of the orebodies so far exposed.

Split Lake Gold Mines was successful last week in its financing, having placed a further \$25,000 in cash in its treasury through private financing, and with tentative provision for a further \$150,000. Underground development is to be extended immediately with a view to opening the orebodies already disclosed, and also extending the program of exploration for additional deposits.

Siscoe Gold Mines produced \$220,814 in gold during July from 16,840 tons of ore.

Kirkland Lake Gold has placed orders for equipment which has been designed to improve mill operations. Ore reserves are higher than at any previous time in the history of the mine. Output continues at over \$100,000 in gold per month.

Dome Mines produced \$649,600 during July, making an output of \$4,410,000 in gold for the first seven months of 1937.

Pioneer Gold Mines produced \$185,000 during July and showed a profit of \$102,000.

Paymaster produced \$101,000 during July, compared with \$104,000 during June.

Reno Gold Mines has been holding production at a uniform rate of \$65,000 per month.

Costs are increasing at the mines, although the rise is moderate and gradual. Gold mines are still drawing extensively upon low to medium grade ore. In many cases higher grade reserves are available with which to offset the upward trend in costs.

Financial Editor, Saturday Night: I have been a reader of Saturday Night for many years and have learned to value your straightforward, unbiased opinions on securities.

—L. R. Edmonton, Alta.

DENISON NICKEL

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that in 31 cases out of every 100 the wife dies before her husband. The man is left to struggle against all the unhappy conditions that arise in a home deprived of the directing hand of the wife and mother.

No amount of money can compensate for the loss sustained, but even a small amount of cash can ease the financial worry that follows illness and death. It can pay doctor's and nurse's bills, funeral expenses, and provide at least temporary care for the children. This problem has to be faced at some time or other by one out of every three married men.

Why not face the facts and discuss the matter with your wife and a Mutual Life of Canada representative today? (LAST OFFICIAL GOVERNMENT FIGURES SHOW THAT DURING 1936 CANADIANS BOUGHT MORE "ORDINARY" LIFE INSURANCE FROM THE MUTUAL LIFE OF CANADA THAN FROM ANY OTHER CANADIAN COMPANY.)

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Abitibi Power & Paper Company, Limited

PLAN OF SALE OF ASSETS AND REORGANIZATION

NOTICE TO BONDHOLDERS

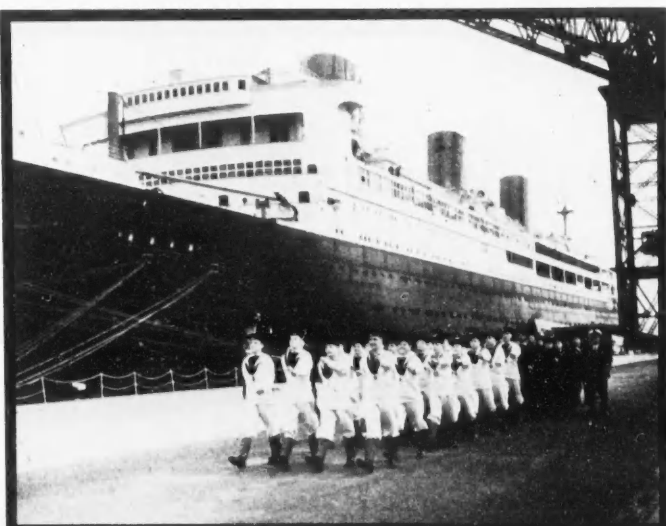
Pursuant to an Order of The Supreme Court of Ontario, a meeting of Bondholders of Abitibi Power & Paper Company, Limited has been called for the 15th day of October, 1937, to consider the Plan of Sale of Assets and Reorganization presented by the Bondholders' Representative Committee and the sale of the mortgaged properties of the Company to the New Company contemplated by the Plan.

A copy of the Plan, together with a Compilation of Statements and Information obtained by the Bondholders' Representative Committee, is available to all Bondholders upon request at Room 2400, Canadian Bank of Commerce Building, Toronto, Canada, or at Room 1000, 44 Wall Street, New York City.


Bondholders are urged to communicate promptly with the Committee in order that information may be sent to them.

Bondholders' Representative Committee
By JOSEPH P. RIPLEY, Chairman

Toronto, Canada




THE OLD "MAJESTIC" starts life as a training ship. Now H.M.S. "Caledonia", she is at Rosyth and will accommodate 1,500 boys in training. Photo shows a detachment marching from the ship to a shore parade ground.



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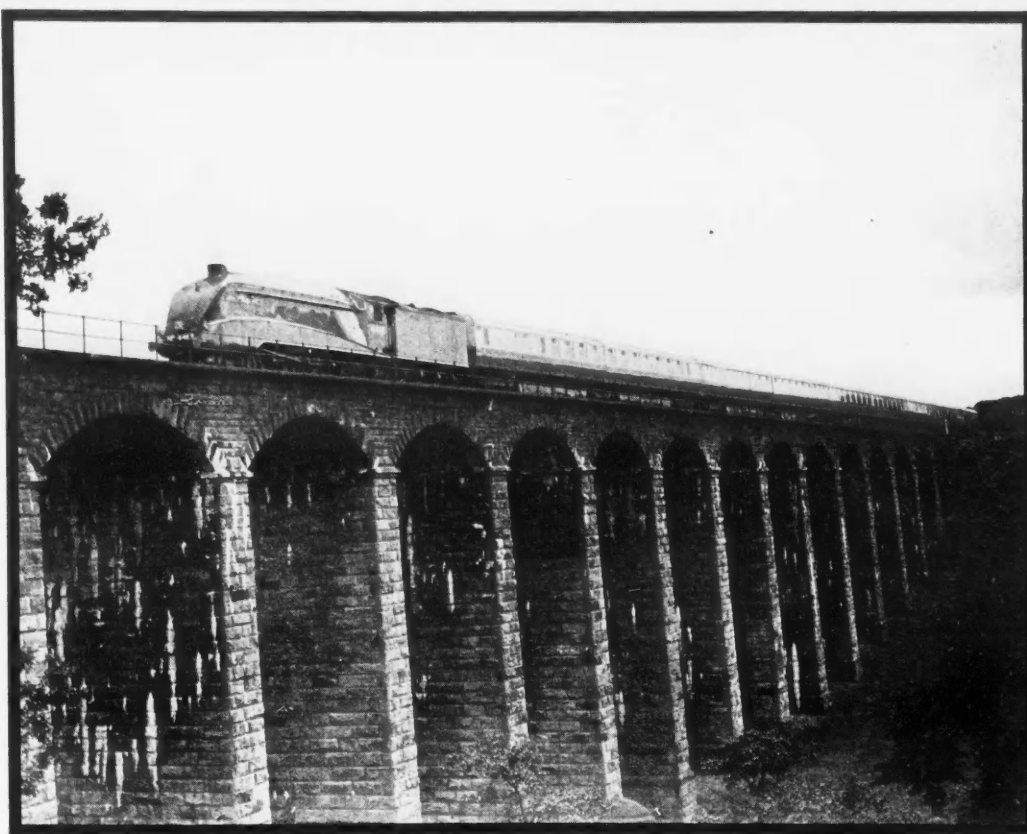
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FOREIGN BONDS

(Continued from Page 17)

In the ability and willingness of some foreign power to pay its debts.

While the percentage of foreign dollar bonds in default is disproportionately large, there are to be found in this class of security a number of issues which have proven very satisfactory, and in fact very profitable, investments. All foreign issues sold in this country may be grouped roughly into three classes, viz:

- I Issues in Good Standing—Including obligations of France, Norway, Sweden, Italy, Argentine, Japan and others.
- II Issues in Partial Default—Including obligations of Brazil, Chile, Greece, Hungary, Germany, Poland and others.
- III Issues in Complete Default—Including such countries as Bolivia, Colombia, Peru, etc.

The holder of a defaulted South American or European bond is not interested in a volume of statistics showing how much wheat or nitrates or coffee was exported last year; or how large a budget deficit is anticipated this year. For he knows from past experience that such facts and figures often are remotely related to the value of his bond. The record of recent years has proven that ability to pay and willingness to pay are two entirely different matters. In short, today the real value of several foreign dollar issues depends upon the degree of success which the representatives of the bondholders may have in negotiating with the political leaders of the countries in question.

Where there has been definite willingness to pay, as in the case of the entire first group of countries referred to above, temporary obstacles to prompt payment have been overcome and the debt record has been kept clean. For this reason it is not necessary to elaborate on the present financial position or future outlook for such countries. Barring very exceptional and unforeseen circumstances the interest and principal of such loans should continue to be secure.

TURNING, however, to the second and third groups of foreign borrowers, those in partial or complete default, it may prove constructive to discuss briefly recent developments which should be reflected sooner or later in the market for the particular country in question. First of all we will review the more important South American loans.

Argentina. As previously stated, all Argentine National Government Loans have been serviced promptly, and today enjoy a high credit rating. This is also true of the City of Buenos Aires and the Province of Tucuman. The reasons for this fine record, unique among South American republics, are to be found partially in the roots of the nation itself and partially in the century-old cooperation between Argentina and England as a result of which huge amounts of British capital sought investment in this thriving South American country.

However, some of the Argentine provinces and cities have fared less happily in their borrowing experience. The Province of Cordoba and the City of Tucuman have been able to continue interest payments though not the contracted sinking fund, but all other provinces and municipalities have been forced to adjust their rates of interest downward, paying on an average about 4 per cent interest instead of 6, 7, or 7½ per cent as originally provided by the bonds. To the investor the evident desire on the part of these borrowers to live up to their obligations, to the extent that economic conditions will permit, carries real significance. It may be confidently anticipated that the holders of all Argentine obligations will, in time, receive the principal of their investments in full and a fair rate of interest, if not the full original coupon rate.

Brazil. In this, the largest of the South American republics, the fall in world commodity prices created a situation so serious that for a time all loan payments to foreign holders were suspended with one exception. The great natural wealth of the country was, however, at all times apparent, so that the informed investor in this country has been inclined to retain his Brazilian Government and municipal bonds, awaiting a more favorable turn

in the fortunes of this comparatively little-developed nation.

The partial resumption of interest payments on dollar loans in 1934 and the gradual increase in such payments since that date, justify this confidence. The Presidential decree of February, 1934, divided all Brazilian dollar issues into eight groups—each group providing the same rate of payment to holders in this country.

Only one Brazilian issue has avoided default, viz., the State of Sao Paulo Coffee Realization 7 per cent Loan due in 1940. Interest payments have been paid scrupulously, although an adjustment in sinking fund payments was deemed necessary. This issue is quoted at 96 in New York. In Group II are included the National Government Loans on which interest is being paid at the rate of 40 per cent of the face value of the coupons due in 1937 and 50 per cent thereafter. The various state and municipal bonds are classified in groups VI, VII, and VIII. No sinking fund payments are provided for in the case of any of these issues, so that it is not clear when investors may expect their principal to be repaid.

Brazilian economic conditions are steadily improving, however, and since the various political authorities have shown a willingness to pay their debts when at all possible it is not too much to expect that in time holders of Brazilian bonds may receive a full return of principal.

Bolivia. The borrowings of this republic constituted only a small proportion of the total of South American bond financing. It is fortunate that this is the case as Bolivian bonds have been in complete default since 1931. The record of this country does not create much optimism for the future. According to leading authorities in the United States, Bolivia's finances "appear hopeless." Any bonds still held in Canada should be sold for whatever they might bring and the proceeds invested in a low-priced Canadian common stock of some promise.

Chile. Once the proud possessor of the best debt record of any of the South American republics, Chile is proving a bitter disappointment to Canadian and American investors; for while business recovery in that republic has been marked and the ability to pay a good portion of the interest on the foreign debt very definitely improved, only a half-hearted effort to redeem its credit has so far been made.

In January, 1935, the government passed a law offering to pay the holders of its dollar bonds a nominal portion of the coupon rate out of the proceeds of a tax on the copper companies and profits of the Nitrate Sales Corporation. This offer amounted to only \$4.75 on each \$1,000 bond in 1936 and is fixed at \$6.95 per \$1,000 bond for 1937. Half of the government revenues referred to are being used for these meagre interest payments while the other half goes to repurchase Chilean bonds listed in New York—a practice which has been severely criticized by representatives of the bondholders in the United States, and can only be regarded as a demonstration of the unwillingness of the government authorities to keep faith with its creditors. Because of the formal opposition to this arrangement on the part of the Foreign Bondholders Protective Council, Inc., holders of only about 10 per cent of the total dollar bonds outstanding have accepted the proffered payments.

With Chilean bonds selling at about 20 per cent of their par value it is difficult to dispose of them in favor of more favorably situated issues. Holders should therefore exercise some further patience in the hope that pressure from the Foreign Bondholders Protective Council will eventually force more generous treatment from the Chilean government.

Colombia. Noticeable progress has also been apparent in Colombia. Gold production made a new record last year, while industrial activity, building construction and petroleum output compare favorably with pre-depression years. So far, however, the government has evidenced an unwillingness to negotiate with foreign bondholders along lines which would lead to a reasonable resumption of interest payments. With the National Government 6 per cent bonds selling at 29 or thereabouts it might prove profitable for holders to switch into Chilean issues, which are considerably cheaper and

which may shortly resume interest payments on a more satisfactory scale than prevails at present.

Peru. Like its neighboring South American republics, Peru is gradually returning to a level of prosperity similar to that which prevailed prior to the depression. Trade in 1936 was at the highest level in a decade—the export surplus having been exceeded only four times in Peru's history. In spite of this favorable economic situation, however, no payments have been made to foreign bondholders since 1931.

In 1936 the budget provided for the payment of about \$500,000 in interest on the National Government issues. This was equivalent to about \$5.50 per \$1,000 bond outstanding. So far, however, no funds had been transferred and no payments actually received by the bondholders. The Foreign Bondholders Protective Council are negotiating with the government but the prevailing market price of 19 for Peruvian loans in New York indicates that investors who own Peruvian bonds may be forced to forego interest for some considerable time.

Uruguay. Comparatively few Uruguayan bonds are held in Canada but these are carrying interest at the rate of 3½ per cent annum as provided by the decree dated December 13, 1933.

TURNING now to a brief consideration of European loans outstanding in our market, each of the more important borrowing countries will be referred to in turn:

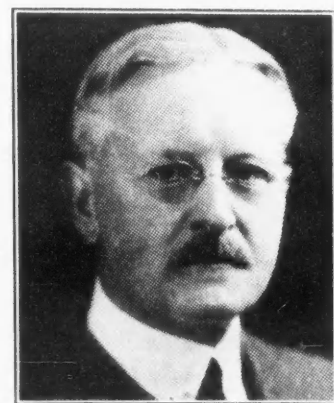
Austria. The current price of 103 for Austria 7 per cent bonds due in 1957 reflects the satisfactory credit standing of a country which has nevertheless been the scene of great political instability. Interest has always been paid in full.

Bulgaria. In 1934 the Government announced the payment of 32½ per cent of the interest due on its two dollar loans. In April, 1935, this rate was changed to 15 per cent. During 1936 a new arrangement was presented to bondholders and recommended by the League Loans Committee. This provides for the payment in dollars of 21½ per cent of the face value of the coupon and the deposit in the Bulgarian National Bank of an additional 11 per cent. It has been unofficially reported that the 32½ per cent would be paid in dollars but so far coupons are being paid at the lower rate.

Czechoslovakia. Debt service continues to be paid in full on the national government loans.

France. Canadian investors in French government and municipal bonds profited handsomely as these loans all sold at a high premium when the United States abandoned the gold standard. Several of the loans have been redeemed at high prices (in terms of the American dollar).

Germany. Large amounts of German bonds—government, state, municipal and public utility—were sold in Canada, much to the regret of hundreds of investors who believed that a nation of such prominence would never default on its obligations. However the desire of the German Government to modernize its equipment and to enlarge its armaments required too large a portion of the foreign exchange made



GEORGE E. WINTER, F.C.A., Vancouver, President of the Dominion Association of Chartered Accountants, who will preside at the thirty-fifth annual meeting of the association to be held in Vancouver, August 16 to 19.

available by the favorable trade balance to allow the transfer of funds to the United States in order to pay interest on its bonds in full.

In recent years partial interest has been paid on the 7 per cent Dawes Loan and the 2½ per cent Young Loan Bonds. In 1936 bondholders received \$20.00 per \$27.50 coupon on the latter issue and \$25.00 per \$35.00 coupon on the former. On other German issues bondholders are offered ten-year bonds bearing 3 per cent interest in lieu of cash payments on maturing coupons.

Germany indicate that the shortage of Inasmuch as latest reports from foreign exchange continues, and that in fact restrictions on the private transfer of funds by travelers and others have become more stringent, there appears to be little hope that larger cash payments may be expected on German dollar bonds in the near future. It is true that industrial production in Germany, as in other European countries, continues to increase—reflecting the feverish preparations for war—but the need for raw materials produced by other countries will probably continue to prevent Germany from servicing her foreign debt in full. In addition political developments may prove a deterrent to a more satisfactory credit standing. German bonds must be regarded as highly speculative.

Greece. Of all the Balkan countries, Greece carries the heaviest foreign debt burden. After paying partial interest to foreign bondholders during 1934 and 1935, the government agreed in 1936 to make payments at the rate of 40 per cent of the face value of coupons due. This requires a large percentage of total government revenues and will probably not be increased unless agricultural and industrial activity continues to expand. Current prices of Greek Loans—about 34—reflect their uncertain future.

Hungary. Since 1934 interest to American holders of Hungarian Government Bonds has been at the rate of 50 per cent of the face value. The balance has been deposited in the National Bank of Hungary to the credit of the bondholders. Hungarian municipal and corporate dollar bonds have not been included in this arrangement, although conditions in Hungary have been better than at any time since 1931.

Rumania. Holders of Kingdom of Rumania 7 per cent Monopolies Loan are not now receiving interest payments, even in part, although in 1934 an offer of partial payment was made to American holders. Transfer of the funds into dollars, however, has been prevented by the Rumanian Government.

Yugoslavia. On November 16, 1936, a new plan for service payments on the Kingdom's 8 per cent and 7 per cent bonds was announced whereby holders would receive either blocked dinars at the rate of 65.78 dinars to the dollar or 15 per cent of the face value of maturing coupons in U.S. dollars and 55 per cent in 5 per cent bonds due in 1956. The remaining 30 per cent is to be applied to the redemption of outstanding bonds.

Due largely to a bumper crop of wheat and maize in 1936, economic conditions in Yugoslavia have made a notable recovery. Barring political upheavals in Central Europe, bondholders may anticipate larger payments as time goes on.

Northern Europe. Very little space is required to comment on the obligations of Denmark, Norway and Sweden as these are regarded as among the finest credit risks obtainable. A steady recovery and freedom from war and political turmoil has made it possible for each of these countries to navigate successfully all the tempestuous storms of the past decade. There appears to be no reason why the future should witness any change in this enviable record.

Japan. Although on several occasions the economic situation in Japan has reached a critical stage and fears have been expressed for the security of the Japanese dollar loans, some of which are held in Canada, payments have been scrupulously made to date. Recent political developments may temporarily affect the market for such issues but there is no immediate prospect of a default. It should nevertheless be realized by holders of Japan 6½'s and 5½'s—both of which are listed in New York—that the Japanese National Budget is sadly out of balance and that the large deficits are being covered by new borrowings which may in time prove inflationary, and adversely affect the value of the yen. This in turn would naturally increase the burden of the foreign debt. It may also be pointed out that an export surplus of 50,579,000 yen in the first eleven months of 1935 was turned into an import surplus of 82,907,000 yen for the same period of 1936. There are clearly danger signals to be watched by the cautious investor.

IN CONCLUSION it may be noted that in virtually every country substantial progress in economic recovery is apparent, and that in several cases this has been reflected in the payments received by foreign bondholders and also in the price of the bonds. On the other hand, certain countries have failed to pass on to their creditors abroad any benefits being derived from the returning prosperity—or at least only a limited share of such benefits. The prudent investor will retain only the bonds of those countries which give evidence of extending fair treatment to their foreign bondholders.

In addition to this we may repeat the advice already offered in these columns on a previous occasion, viz., hold only those foreign issues which are paying interest in full or may reasonably be expected to resume interest payments in full at an early date; otherwise switch into depreciated domestic securities, such as bonds or preferred shares in temporary default. Many opportunities for recovering a seemingly irreparable loss exist in our own country. It will pay to remember that the future of Canada is probably brighter than that of any other country.

Financial Editor, Saturday Night:

I wish to take this opportunity to express my appreciation of the services offered by Gold & Dross. As you are probably well aware, the ones who write for your advice are only a small proportion of those who benefit from your advice.

—C. E. M., Springhill, N.S.